

# **EXHIBIT “3”**

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

IN RE URBAN OUTFITTERS, INC.  
SECURITIES LITIGATION

MASTER FILE NO. 2:13-cv-05978-LFR

REPORT ON MARKET EFFICIENCY

PROFESSOR STEVEN P. FEINSTEIN, PH.D., CFA

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**I. SCOPE OF PROJECT AND REPORT**

1. I was asked by Robbins Geller Rudman & Dowd LLP, Counsel for the Lead Plaintiff, to determine whether the common stock of Urban Outfitters, Inc., (“Urban Outfitters” or the “Company”) traded in an efficient market during the period from 12 March 2013 through 9 September 2013 (the “Class Period”).
2. In addition, I have been asked to opine on whether damages in this matter can be computed using a common methodology for all class members in connection with their claims under Section 10(b) of the Exchange Act of 1934 (the “Exchange Act”) and U.S. Securities & Exchange Commission (“SEC”) Rule 10b-5 adopted thereunder.
3. Toward these ends, I analyzed the market for Urban Outfitters common stock and its price behavior, focusing on factors that are generally accepted to be indicative of market efficiency. I examined Company press releases, conference call transcripts, equity analyst reports, news articles, SEC filings, security prices, trading volume, the performance of the overall stock market, and the performance of Urban Outfitters’ peers, as well as other pertinent data and documents. I also read the Lead Plaintiff’s Amended Class Action Complaint for Violations of the Federal Securities Laws (the “Complaint”) dated 10 March 2014, and considered the allegations therein. Exhibit-1 lists the documents I reviewed and relied upon in the course of this engagement.
4. This report presents my methodology, findings, and conclusions.
5. I reserve the right to amend, refine, or modify my opinion and report, including in the event any additional information or analysis becomes available.

**II. CREDENTIALS**

6. I am an Associate Professor of Finance at Babson College, and the founder and president of Crowninshield Financial Research, Inc., a financial economics consulting firm. I hold a Ph.D. in Economics from Yale University, a Master of Philosophy degree in Economics from Yale University, a Master of Arts in Economics from Yale University, and a Bachelor of Arts degree in Economics from Pomona College. I also hold the Chartered Financial Analyst (“CFA”) designation, granted by the CFA Institute.

7. At Babson College, I have taught undergraduate and MBA level courses in Valuation, Capital Markets, Investments, Equity Analysis, Fixed Income Analysis, Financial Management, Risk Management, Quantitative Methods, and Security Valuation. I have also taught executive courses on investments and corporate financial management for numerous corporations. Other courses I have taught are listed in my curriculum vitae, which is attached as Exhibit-2.
8. At Babson College, I have held the Chair in Applied Investments and served as the Director of the Stephen D. Cutler Investment Management Center, a research and education center dedicated to the study and teaching of investments and capital markets.
9. Prior to my joining the faculty at Babson College, I taught finance at Boston University. Previously, I was an Economist at the Federal Reserve Bank of Atlanta where my primary responsibilities were to monitor financial markets, analyze proposed regulation, and advise the Bank President in preparation for his participation in meetings of the Federal Open Market Committee – the government body responsible for monetary policy in the United States.
10. I have published extensively in the field of finance. My finance articles have appeared in the *Atlanta Federal Reserve Bank Economic Review*, *Derivatives Quarterly*, *Derivatives Weekly*, *The Engineering Economist*, *The Journal of Risk*, *The American Bankruptcy Institute Journal*, *The Journal of Financial Planning*, *The Journal of Forensic Economics*, *Managerial Finance*, *Risk Management*, and *Primus*. I am the author of *Finance and Accounting for Project Management*, published by the American Management Association. I wrote two chapters in the book *The Portable MBA in Finance and Accounting* – one on corporate financial planning and the other on risk management. I have presented research at the annual conventions of the American Finance Association, the Academy of Financial Services, the Multinational Finance Society, the Financial Management Association, the Taxpayers Against Fraud Education Fund Conference, and the International Conference on Applied Business Research. Co-authored papers of mine have been presented at the Eastern Finance Association meetings and the Midwestern Finance Association meetings. A list of all the publications I authored in the previous ten years can be found in my curriculum vitae, which is attached as Exhibit-2.

11. I have been selected to review papers for numerous finance journals and conferences, and I have reviewed finance textbook manuscripts for Prentice-Hall, Elsevier, Blackwell, and Southwestern Publishing. I have been quoted on matters relating to finance and investments in *The Wall Street Journal*, *The Washington Post*, *The New York Times*, *The Financial Times*, *The Boston Globe*, and *Bloomberg News*, and my research relating to financial analysis and valuation has been discussed in *The Wall Street Journal*, *Bond Buyer*, and *Grant's Municipal Bond Observer*.
12. I am a member of the American Finance Association, the Financial Management Association, the North American Case Research Association, the National Association of Forensic Economics, the CFA Institute, and the Boston Security Analysts Society, where I have served as a member of the education committee and ethics subcommittee. I served on the Fixed Income Specialization Examination Committee of the CFA Institute.
13. The CFA designation is the premier credential for financial analysts worldwide. In order to receive this credential, applicants must pass a series of three exams covering such topics as economics, equity analysis, financial valuation, business analysis, quantitative methods, investment analysis, portfolio management, risk management, financial accounting, and ethical and professional standards. For over ten years, I taught in the Boston University CFA Review Program and the Boston Security Analysts Society CFA Review Program – two of the leading review programs that prepared candidates for the CFA exams. In both of these programs, I taught candidates at the most advanced level.
14. In addition to my teaching, research, CFA, and academic community responsibilities, I practice extensively as a financial consultant. Past and present clients include the United States Securities and Exchange Commission, the Internal Revenue Service, the Attorney General of the State of Illinois, and the National Association of Securities Dealers. As a financial consultant, I have conducted analyses and presented opinions related to markets, valuation, and damages in over 60 cases. Exhibit-3 lists my prior testimony appearances over the past four years.
15. I am the president and founder of the consulting firm Crowninshield Financial Research, which receives compensation for the work performed by me and the analysts who assist me on this case. My firm is being compensated at a rate of \$750 per hour for my work. My compensation is neither contingent on my findings nor on the outcome of this matter.

### **III. CONCLUSIONS**

16. Urban Outfitters common stock traded in an efficient market over the course of the Class Period. Urban Outfitters common stock satisfied the factors set forth in *Cammer v. Bloom*, 711 F. Supp. 1264 (D.N.J. 1989), and *Krogman v. Sterritt*, 202 F.R.D. 467 (N.D. Tex. 2001), which, consistent with financial economic principles and empirical research, indicate market efficiency.
17. Moreover, statistical tests prove that there was a cause and effect relationship between the release of new material information and movements in the price of Urban Outfitters common stock. Urban Outfitters common stock exhibited statistically significant price reactions in response to new information on the Class Period's two earnings announcement dates and two quarter-to-date sales announcement dates that were appropriate candidates for inclusion in a market efficiency event study. Additional statistical tests examining the behavior of the Company's stock price on these dates collectively further indicate that Urban Outfitters common stock consistently responded to new, Company-specific information. This empirical analysis demonstrates that there was a cause and effect relationship between the release of new, Company-specific information and movements in the Urban Outfitters common stock price during the Class Period, which not only indicates market efficiency, but demonstrates the essence of market efficiency.
18. Based on the foregoing, I conclude that Urban Outfitters common stock traded in an efficient market over the course of the Class Period.
19. Damages in this matter are subject to a common methodology that can be calculated on a class-wide basis.



#### **IV. FACTUAL BACKGROUND**

##### **A. About the Company**

20. Prior to and throughout the Class Period, Urban Outfitters was a retail company that sold fashion apparel under five wholly-owned brands: Urban Outfitters (“Urban Brand”), Anthropologie, Free People, Terrain, and BHLDN.<sup>1</sup> Each brand was sold in its own eponymous retail locations and websites.<sup>2</sup>
21. For the fiscal year ended 31 January 2012, the Company operated 197 Urban Brand, 168 Anthropologie, 62 Free People, 1 Terrain, and 1 BHLDN retail locations globally.<sup>3</sup> Of the Company’s consolidated North American retail sales for fiscal year 2012,<sup>4</sup> Urban Brand, Anthropologie, and Free People accounted for 31.4%, 32.8%, and 2.7%, respectively.<sup>5</sup>
22. Urban Outfitters common stock was listed and traded on the NASDAQ Exchange under the symbol “URBN” throughout the Class Period.
23. At the close of trading on 11 March 2013, the last trading day before the Class Period began, Urban Outfitters common stock price was \$41.50 per share, according to price data obtained from the Center for Research in Security Prices (“CRSP”). The peak share price during the Class Period was \$44.54 per share on 17 May 2013. By 10 September 2013, the first trading day after the end of the Class Period, the stock price had fallen to \$38.35 per share, representing a decline of 13.9% from the Class Period high.
24. As of the close of trading on 11 March 2013, Urban Outfitters’ market capitalization (the aggregate value of all outstanding common shares) stood at \$6.1 billion.<sup>6</sup> The Company’s market capitalization climbed to a high of \$6.5 billion during the Class Period on 17 May 2013. By 10 September 2013, the Company’s market capitalization had fallen to \$5.7 billion. The decline in market capitalization from the Class Period peak to the first day

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<sup>1</sup> Urban Outfitters, Inc., Form 10-K for Fiscal Year Ended 31 January 2012, filed 2 April 2012, pp. 1-2 and 9.

<sup>2</sup> Urban Outfitters, Inc., Form 10-K for Fiscal Year Ended 31 January 2012, filed 2 April 2012, pp. 1-4.

<sup>3</sup> Urban Outfitters, Inc., Form 10-K for Fiscal Year Ended 31 January 2012, filed 2 April 2012, pp. 2-3.

<sup>4</sup> Urban Outfitters’ fiscal year 2012 is for the year ended 31 January 2012.

<sup>5</sup> Urban Outfitters, Inc., Form 10-K for Fiscal Year Ended 31 January 2012, filed 2 April 2012, pp. 2-3.

<sup>6</sup> Share data obtained from Company SEC filings.

after the Class Period was \$887 million, representing a loss of 13.6% of the Company's equity value.

**V. EFFICIENT MARKET DEFINED**

25. The definition of market efficiency set forth by Judge Alfred J. Lechner, Jr. in the 1989 *Cammer v. Bloom* decision is often cited as a legal authority on the meaning of market efficiency and is consistent with the definition generally accepted by the academic finance community:

“As relevant here, courts have permitted a rebuttable presumption of reliance in the case of securities traded in ‘efficient markets’ (i.e., markets which are so active and followed that material information disclosed by a company is expected to be reflected in the stock price).”  
*Cammer v. Bloom*, 711 F. Supp. 1264, 1273 n.11 (D.N.J. 1989).

26. Judge Lechner also cited the definitions offered by commentators Alan R. Bromberg and Lewis D. Lowenfels, and by finance professor Eugene Fama:

“An efficient market is one which rapidly reflects new information in price.”  
Alan Bromberg & Lewis Lowenfels, *Securities Fraud and Commodities Fraud*, §8.6 (Aug. 1988); *see also Cammer*, 711 F. Supp. at 1276.

“A market in which prices always ‘fully reflect’ available information is called ‘efficient.’”  
“Efficient Capital Markets: A Review of Theory and Empirical Work,” by Eugene Fama, *Journal of Finance*, 1970, cited in *Cammer*, 711 F. Supp. at 1280.

27. The Supreme Court in the *Basic Inc. v. Levinson* decision focused on the same important characteristic at the heart of these definitions of market efficiency:

“The fraud on the market theory is based on the hypothesis that, in an open and developed securities market, the price of a company's stock is determined by the available material information regarding the company and its business ... .”  
*Basic Inc. v. Levinson*, 485 U.S. 224, 241-42 (1988) (internal quotations and citation omitted); *see also Cammer*, 711 F. Supp. at 1276.

28. The recent *Amgen* decision defined market efficiency similarly:

“The fraud-on-the market premise is that the price of a security traded in an efficient market will reflect all publicly available information about a company ... .”

*Amgen Inc. v. Conn. Ret. Plans & Trust Funds*, 133 S. Ct. 1184, 1190 (2013).

29. In its recent *Halliburton II* decision, the Supreme Court addressed the cause-and-effect relationship at the center of market efficiency thusly:

“Even the foremost critics of the efficient-capital-markets hypothesis acknowledge that public information generally affects stock prices. ... Debates about the precise *degree* to which stock prices accurately reflect public information are thus largely beside the point. ‘That the ... price [of a stock] may be inaccurate does not detract from the fact that false statements affect it, and cause loss,’ which is ‘all that *Basic* requires.’”

*Halliburton Co. v. Erica P. John Fund, Inc.*, 134 S. Ct. 2398, 2410, 189 L. Ed. 339 (2014) (“*Halliburton II*”) (emphasis and second alteration in original).

30. An efficient market, as defined by *Cammer*, *Basic*, *Amgen*, Bromberg and Lowenfels, and Fama, is a market in which available information is rapidly incorporated into the price of a security such that the trading price reflects all available information. As these cases and *Halliburton II* recognized, market efficiency is relevant to a securities case as it addresses the question of whether false information (*e.g.*, in the form of an alleged misrepresentation or omission) would likely have impacted the prices at which investors bought and sold, and which were relied upon.

#### **A. The *Cammer* Factors**

31. The *Cammer* opinion lays out five factors that would suggest the market for a security is efficient. As described below, economic rationales support each factor as an indicator of market efficiency. The five factors are: 1) trading volume, 2) coverage by securities analysts, 3) number of market makers, 4) eligibility for S-3 registration, and 5) empirical evidence that the security price reacts to new, company-specific information.
32. Empirical research has confirmed that volume, number of market makers, and analyst coverage are indicative of market efficiency:

“Consistent with the efficiency indicators used recently by the courts, the inefficient firms have lower mean trading volume, fewer market makers, lower analyst following, and lower institutional ownership (number and percentage) than efficient firms.”

“The Fraud-on-the-Market Theory and the Indicators of Common stock Efficiency,” by Brad M. Barber, Paul A. Griffin, and Baruch Lev, *Journal of Corporation Law*, 1994, p. 302.

33. Barber, et al., also found that high institutional ownership was indicative of market efficiency.
34. With respect to the empirical factor, Barber, et al., used empirical tests as the standard for market efficiency by which to judge the significance of the other variables. Consequently, they acknowledge the importance of the empirical factor.
35. Consistent with financial economic theory and empirical research, the language used by the *Cammer* court describes the factors not as five ***necessary*** factors, but rather as indicative of the degree to which the market for a security is expected to be efficient:

“There are several different characteristics pertaining to the markets for individual stocks which are probative of the degree to which the purchase price of a stock should reflect material company disclosures.”  
*Cammer*, 711 F. Supp. at 1283.

36. The *Cammer* opinion describes the nature of the five factors as follows:

“There are several types of facts which, if alleged, might give rise to an inference that Coated Sales traded in an efficient market. It is useful to set forth an explanation of how the existence of such facts would cause the understanding that disclosed company information (or misinformation) would be reflected in the company’s stock price, the underpinning of the fraud on the market theory.”  
*Cammer*, 711 F. Supp. at 1285-86 (footnote omitted).

“First, plaintiffs could have alleged there existed an average weekly trading volume during the class period in excess of a certain number of shares.”  
*Id.* at 1286.

“Second, it would be persuasive to allege a significant number of securities analysts followed and reported on a company’s stock during the class period.”  
*Id.*

“Third, it could be alleged the stock had numerous market makers.”  
*Id.*

“Fourth, as discussed it would be helpful to allege the Company was entitled to file an S-3 Registration Statement in connection with public offerings...”  
*Id.* at 1287.

“Finally, it would be helpful to a plaintiff seeking to allege an efficient market to allege empirical facts showing a cause and effect relationship between unexpected corporate events or financial releases and an immediate response in the stock price.”  
*Id.*

“As previously noted, one of the most convincing ways to demonstrate efficiency would be to illustrate, over time, a cause and effect relationship between company disclosures and resulting movements in stock price.”  
*Id.* at 1291.

#### **B. The *Krogman* Factors**

37. In addition to the five *Cammer* factors that indicate market efficiency, the district court in *Krogman v. Sterritt*, 202 F.R.D. 467 (N.D.Tex. 2001), and the Fifth Circuit Court of Appeals in *Unger v. Amedisys Inc.*, 401 F.3d 316 (5th Cir. 2005), concluded that three additional factors were also indicative of market efficiency.
38. These additional factors, the *Krogman* factors, are: 1) the company’s market capitalization, 2) the stock’s float, and 3) the typical bid-ask spread.
39. Market capitalization is the total value of all outstanding shares. It equals the number of shares outstanding times the price per share. Reasonably, the larger the market capitalization, the more prominent and well known the company will be. Larger companies tend to attract more analyst and news media coverage, and gain the attention of greater numbers of investors, including very large institutional investors. All of these characteristics, which accompany a large market capitalization, promote market efficiency.
40. The stock’s float is the number of shares outstanding, less shares held by insiders and affiliated corporate entities. It is generally the number of shares available for trading by outside investors in the open market. Float is highly correlated with market capitalization,

but it focuses on the shares available for trading rather than all outstanding shares. Stocks with large levels of float tend to trade more actively, attract more analyst and news media coverage, and garner the attention of greater numbers of investors, including large institutional investors. All of these characteristics, which accompany a high float level, promote market efficiency.

41. The bid-ask spread is the difference between the price at which market makers are offering to buy a security and the price at which they are offering the security for sale. If a security is actively traded and information about the security is readily available, the bid-ask spread will tend to be narrow. Moreover, a narrow bid-ask spread makes trading in the security less costly for investors, and the security thereby tends to attract greater interest, greater coverage, and greater volume, which in turn are factors that are generally understood to promote market efficiency.

### **C. Analyst Coverage and Other Avenues of Information Dissemination**

#### **1. Analyst Coverage**

42. Securities analysts disseminate and interpret information about the companies they cover. They conduct research and provide valuation opinions, helping market participants acquire relevant information and understand the implications of that information for valuation and investment decisions. Consequently, securities analysts facilitate the flow of information and the digestion of information within the marketplace. These functions promote market efficiency.
43. Urban Outfitters common stock was the subject of active analyst coverage during the Class Period. From the Thomson Research database, I obtained 116 analyst reports on Urban Outfitters published during the Class Period by twenty-four (24) different firms: Ascendant Capital, Barclays, BMO Capital, Brean Capital, Canaccord Genuity, CL King, Credit Suisse, Janney Montgomery Scott, Jefferies, JPMorgan, Keybank Capital, Macquarie Research, Maxim Group, Morgan Stanley, Oppenheimer, Piper Jaffray & Co., RBC, S&P Capital IQ, Suntrust Robinson Humphrey Capital, Telsey Advisory Group (TAG), UBS Research, Wedbush Securities, Wells Fargo, and William Blair.

44. Transcripts of Urban Outfitters' conference calls conducted during the Class Period reveal that at least ten (10) additional firms followed Urban Outfitters: Avondale Partners, Bank of America Merrill Lynch, Citigroup, CLSA, Goldman Sachs, ISI Group, JJK Research, The Retail Tracker, Robert W. Baird, and Stifel Nicolaus. Consequently, at least thirty-four (34) firms covered Urban Outfitters common stock during the Class Period.
45. Coverage by thirty-four analysts is considered broad. Barber, et al., [1994] found that coverage by one or two analysts strengthened the presumption of efficiency for a publicly traded stock.<sup>7</sup> Consistent with financial economic principles, the coverage of Urban Outfitters by professional securities analysts is evidence of the efficiency of the market for Urban Outfitters common stock during the Class Period.

## 2. Institutional Ownership and Buy-Side Analysis

46. FactSet Research Systems ("FactSet") provides data on institutional ownership of common stock. The data are compiled from the Form 13-F filings that major investment institutions are required to submit to the SEC. Major institutions are defined as firms or individuals that exercise investment discretion over the assets of others in excess of \$100 million. Large investment firms generally employ financial analysts who conduct their own research on the stocks they buy. According to FactSet, at least 362 major institutions owned Urban Outfitters common stock during the Class Period.<sup>8</sup>

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<sup>7</sup> "The Fraud-on-the-Market Theory and the Indicators of Common stock Efficiency," by Brad M. Barber, Paul A. Griffin, and Baruch Lev, *Journal of Corporation Law*, 1994.

<sup>8</sup> According to filings that reported holdings, there were 362 major institutions that held shares of Urban Outfitters common stock as of 31 March 2013 and 30 June 2013. There may have been additional institutions that held Urban Outfitters stock at other times during the Class Period, though not on the quarterly reporting dates.

3. News Coverage

47. The news media also facilitate the flow of material information to the marketplace, thereby promoting market efficiency. In the case of Urban Outfitters, such coverage was extensive. A Factiva database search established that at least 292 distinct articles were published about the Company during the Class Period.<sup>9</sup>
48. The articles obtained from Factiva include published news articles and press releases. Information also emerged throughout the Class Period in the form of SEC filings, conference calls, and presentations.
49. During the Class Period, therefore, information about Urban Outfitters was readily available to market participants. The flow of information was facilitated by news media. This extensive news coverage is further evidence of the efficiency of the market for Urban Outfitters common stock.
50. Urban Outfitters was not an obscure company, escaping the notice of the news media, analysts, and investors. Rather, Urban Outfitters was large, widely covered, and widely held. These facts support a finding that Urban Outfitters common stock traded in an efficient market throughout the Class Period.

**VI. EFFICIENCY OF THE MARKET FOR URBAN OUTFITTERS COMMON STOCK**

51. To assess whether the market for Urban Outfitters common stock was efficient during the Class Period, I analyzed the market for, and behavior of, Urban Outfitters common stock, focusing on the factors that are generally accepted to be indicative of market efficiency for a publicly traded security.<sup>10</sup>

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<sup>9</sup> Based on a Factiva search in “All Sources” for articles published during the Class Period where “Urban Outfitters, Inc.” was the “Company” search field parameter, excluding duplicates.

<sup>10</sup> While I do not accept that serial correlation and high short interest indicate market inefficiency, it is my understanding that some courts have considered these metrics in assessing the efficiency of the market for a security. An analysis of serial correlation and short interest for Urban Outfitters stock during the Class Period, shows that there was no significant serial correlation and a relatively low level of short interest, so regardless of whether or not these metrics are relevant to a finding of market efficiency or inefficiency in the current case the matter is moot.



### **A. Trading Volume**

52. Throughout the Class Period, Urban Outfitters common stock traded regularly and actively. On average, 1.8 million shares changed hands daily.<sup>11</sup> Urban Outfitters common stock trading data are presented in Exhibit-4.
53. In addition to average daily trading volume, the percentage of outstanding shares that turn over each week is another relevant metric. During the Class Period, the average weekly trading volume of Urban Outfitters common stock was 9.0 million shares, over 6.1% of shares outstanding.<sup>12</sup> This level of trading activity is above levels accepted by courts as being indicative of market efficiency for common stock.<sup>13</sup> In the case of the common stock of Coated Sales, Inc., the *Cammer* court cited the conclusion of Alan R. Bromberg and Lewis D. Lowenfels that “weekly trading of 2% or more of the outstanding shares would justify a strong presumption that the market for the security is an efficient one; 1% would justify a substantial presumption.”<sup>14</sup> The trading volume for Urban Outfitters common stock during the Class Period was well above the threshold for a strong presumption of market efficiency.
54. Both in terms of average daily trading volume and also on the basis of the percentage of outstanding shares traded weekly, the market for Urban Outfitters common stock was active. Consistent with the *Cammer* opinion, economic theory, and empirical research, the active trading volume in Urban Outfitters common stock is strong evidence of the efficiency of the market for the stock over the course of the Class Period.

### **B. Market Makers and Listing on the NASDAQ**

55. The number of market makers is one of the factors the *Cammer* court determined indicates market efficiency. Market makers are financial intermediaries who trade in a particular security, standing ready to buy and sell with individual investors, institutions,

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<sup>11</sup> Data obtained from CRSP.

<sup>12</sup> Estimated by multiplying the average ratio of the daily trading volume to the number of shares outstanding by 5, which is the number of trading days in a typical week.

<sup>13</sup> *Cammer*, 711 F. Supp. at 1286.

<sup>14</sup> *Id.*, at 1293.

and other market makers. A large number of market makers implies that many market participants are trading that particular stock, which generally provides a high degree of liquidity and a narrower bid-ask spread. With a large number of market makers, it is generally easy for investors to execute trades in a timely fashion and with reasonable transaction costs.

56. The subject company in the *Cammer* case, Coated Sales, Inc., was listed on the NASDAQ, an over-the-counter market consisting of multiple competing market makers, using electronic systems to make quotes and effect trades.
57. The *Cammer* court's understanding that the market-making infrastructure of a stock market is indicative of its efficiency, or lack thereof, makes the fact that Urban Outfitters common stock traded on the NASDAQ during the Class Period highly relevant.
58. In fact, citing Bromberg and Lowenfels, the *Cammer* court explicitly acknowledged the importance of a NASDAQ listing and the implications of such a listing for market efficiency.

“We think that, at a minimum, there should be a presumption – probably conditional for class determination – that certain markets are developed and efficient for virtually all the securities traded there: the New York and American Stock Exchanges, the Chicago Board Options Exchange and the NASDAQ National Market System.”

***Cammer*, 711 F. Supp. at 1292 (quoting Alan R. Bromberg & Lewis D. Lowenfels, 4 Securities Fraud and Commodities Fraud §8.6 (1988)).**

59. According to Bloomberg, there were at least 151 market makers for Urban Outfitters common stock, including well known firms such as: Barclays Capital, Citadel, Credit Suisse, Goldman Sachs, JPMorgan, Morgan Stanley, Merrill Lynch, and UBS Securities.<sup>15</sup>
60. The facts that the Company's stock traded on the NASDAQ and had a large number of market makers are compelling evidence that it traded in an efficient market throughout the Class Period.

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<sup>15</sup> Market maker data obtained from Bloomberg.

### C. S-3 Registration Eligibility

61. A company is eligible for S-3 registration when, among other things, it has filed Exchange Act reports for a specified length of time and has outstanding float above a certain sizable value. At the time of the *Cammer* opinion, the conditions for S-3 registration were that a company had filed financial reports with the SEC for 36 months, and had outstanding float over \$150 million held by non-affiliates, or \$100 million of such float coupled with annual trading volume exceeding 3 million shares.
62. In 1992, the SEC changed its requirements for S-3 registration eligibility to 12 months of filings and at least \$75 million of float. Since 2007, the SEC has allowed companies with less than \$75 million of float to file an S-3 registration so long as the company has been filing financial reports for at least a year, has “a class of common equity securities listed and registered on a national securities exchange, and the issuers do not sell more than the equivalent of one-third of their public float in primary offerings over any period of 12 calendar months.”<sup>16</sup> However, despite the fact that the \$75 million in public float requirement has been loosened, courts continue to focus on this \$75 million benchmark when analyzing this *Cammer* factor.<sup>17</sup>
63. The *Cammer* court noted that S-3 registration eligibility is indicative of market efficiency because the filing requirement ensures that financial data were available to market participants, and the “public float” requirement indicates that many market participants would have examined the information.<sup>18</sup>

“The ‘public float’ aspect of the Form S-3 requirements ensures that enough investors have in fact read the previously filed document.”  
*Cammer*, 711 F. Supp. at 1285.

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<sup>16</sup> Revisions To The Eligibility Requirements For Primary Securities Offerings On Forms S-3 And F-3, Securities Act Release No. 8878, 2007 WL 4440399 (Dec. 19, 2007).

<sup>17</sup> See, e.g., *Nguyen v. Radiant Pharm. Corp.*, 287 F.R.D. 563, 573 (C.D. Cal. 2012).

<sup>18</sup> *Cammer*, 711 F. Supp. at 1284-85.

“Again, it is the number of shares traded and value of shares outstanding that involve the facts which imply efficiency.”

*Id.* at 1287.

1. Float

64. A company’s float is the number or value of shares that can potentially trade freely in the marketplace. It is generally defined as the number or value of outstanding shares, minus insider holdings and shares owned by affiliated corporate entities.<sup>19</sup>
65. I computed Urban Outfitters common stock float using data on shares outstanding and insider holdings presented in the Company’s SEC filings, and stock price data obtained from CRSP.
66. Urban Outfitters common stock float averaged \$4.6 billion during the Class Period, far exceeding the level of \$75 million previously required for S-3 registration. During the Class Period, float ranged between \$4.2 and \$4.9 billion, always exceeding the SEC minimum requirement of \$75 million for S-3 registration eligibility. Urban Outfitters’ float was well over the threshold necessary for S-3 registration under both the current rules and the more stringent original rules applicable at the time of the *Cammer* opinion.

2. Financial Filings

67. Urban Outfitters had been filing financial reports with the SEC for many years prior to the Class Period and remained current throughout the Class Period.
68. The financial information in the SEC filings, supplemented by information provided by analysts and news coverage, provided investors with access to financial information about the Company on a continuous basis.
69. Urban Outfitters’ S-3 registration eligibility during the Class Period indicates company characteristics associated with market efficiency, in particular characteristics of size, transparency, and the availability of relevant information. Consistent with the *Cammer* opinion, Urban Outfitters’ eligibility to file an S-3 registration is evidence of the efficiency of the market for its common stock during the Class Period.

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<sup>19</sup> For a discussion of the generally accepted definitions of shares outstanding and float, see Indices: Float Adjustment Methodology, S&P Dow Jones Indices (July 2012).

**D. *Krogman* Factors**

70. In addition to evaluating market efficiency using the *Cammer* factors, I also examined Urban Outfitters common stock and its market with respect to the three additional *Krogman* factors.

1. Market Capitalization

71. During the Class Period, Urban Outfitters' market capitalization averaged \$6.1 billion, putting Urban Outfitters in the 2<sup>nd</sup> decile of U.S. companies – meaning that Urban Outfitters was larger than at least 80% of all other publicly-traded companies in the U.S.<sup>20</sup>

72. Consistent with the *Krogman* court's opinion, Urban Outfitters' large market capitalization throughout the Class Period is further evidence of the efficiency of the market for Urban Outfitters common stock.

2. Float

73. On average, during the Class Period there were 110.6 million shares in the float and 146.8 million shares outstanding. The average float was therefore 75.3% of shares outstanding.<sup>21</sup>

74. Urban Outfitters common stock float averaged \$4.6 billion during the Class Period. While float excludes shares held by insiders and affiliated corporate entities, Urban Outfitters' float was still larger than the total market capitalization of at least 80% of all other publicly-traded companies in the U.S.<sup>22</sup> Despite there being a large number of shares held by insiders, the vast majority of shares traded freely in the marketplace, and the float alone was greater than the entire market capitalizations of most other publicly traded companies.

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<sup>20</sup> This calculation is based on averaged month-end data from CRSP for 28 March 2013 through 30 August 2013. I grouped public companies into deciles such that the 1st decile contains the largest 10% of all public companies listed on the NYSE, Amex, and NASDAQ exchanges, while the 10th decile contains the smallest 10%. Urban Outfitters share data were obtained from SEC filings.

<sup>21</sup> I estimated the average percentage float by averaging the daily ratio of float shares to shares outstanding.

<sup>22</sup> This calculation is based upon averaged month-end data from CRSP for 28 March 2013 through 30 August 2013.

75. Urban Outfitters' substantial float is indicative of the efficiency of the market for its stock during the Class Period.

3. Bid-Ask Spread

76. I obtained data on daily closing bid and ask quotes for Urban Outfitters common stock during the Class Period from CRSP. Exhibit-4 presents this bid and ask data.
77. I measured the percentage bid-ask spread as the difference between the bid and ask quotes, divided by the average of the bid and ask quotes, which is the standard way of measuring percentage bid-ask spreads in the finance literature. The average bid-ask spread for Urban Outfitters common stock over the course of the Class Period was 0.03%. By comparison, the average month-end bid-ask spread over the course of the Class Period for all stocks in the CRSP database was 0.75%.
78. Urban Outfitters' bid-ask spreads were substantially narrower than the mean level among all other CRSP stocks – which comprises stocks traded on the NYSE, Amex, NASDAQ, and NYSE Arca.
79. In dollar terms, Urban Outfitters' bid-ask spread during the Class Period averaged \$0.01 per share. For all stocks in the CRSP database, the average bid-ask spread during the Class Period was \$0.12.
80. The average bid-ask spread in the market for Urban Outfitters common stock over the course of the Class Period was well below the typical bid-ask spreads exhibited by other publicly-traded stocks in the U.S. Urban Outfitters' narrow bid-ask spread supports a conclusion of market efficiency.

**VII. EMPIRICAL EVIDENCE OF MARKET EFFICIENCY FOR URBAN OUTFITTERS COMMON STOCK**

81. Of the five *Cammer* factors, the empirical factor was cited by the *Cammer* Court as “one of the most convincing ways to demonstrate efficiency”:

“As previously noted, one of the most convincing ways to demonstrate efficiency would be to illustrate over time, a cause and effect relationship between company disclosures and resulting movements in stock price.”  
*Cammer*, 711 F. Supp. at p. 1291.

82. The special importance the *Cammer* Court placed on the empirical factor is justified by economic principles, as the empirical factor focuses on the essence of market efficiency, whereas the other four factors are indicators that signal market efficiency.

**A. Event Study Test of Market Efficiency**

83. The event study is the paramount tool for testing market efficiency, as renowned financial economist Eugene Fama attests:

“The cleanest evidence on market-efficiency comes from event studies, especially event studies on daily returns. When an information event can be dated precisely and the event has a large effect on prices, the way one abstracts from expected returns to measure abnormal daily returns is a second-order consideration. As a result, event studies give a clear picture of the speed of adjustment of prices to information.”  
 “Efficient Capital Markets: II,” by Eugene F. Fama, *Journal of Finance*, 1991, p. 1607.

84. Event study analysis is one of the most commonly used analytic methodologies employed by finance researchers. Campbell, Lo, and MacKinlay [1997] present an excellent description and examples of the methodology and write about how it is generally accepted and widely used in academic research.<sup>23</sup> Crew, et al., [2012] write about how the methodology is generally accepted and widely used in forensic applications.<sup>24</sup>
85. An event study measures how much a stock price rises or falls in response to new information. It first determines how much of a stock price change cannot be explained by market and peer group factors. The portion of a stock price change that cannot be attributable to market and peer group factors is called the residual stock price movement or “residual return.” The event study isolates the residual return and also tests whether or not the residual return can reasonably be explained as merely a random fluctuation.

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<sup>23</sup> Chapter 4 of *The Econometrics of Financial Markets*, by John Y. Campbell, Andrew W. Lo, and A. Craig MacKinlay, Princeton University Press, 1997.

<sup>24</sup> “Federal Securities Acts and Areas of Expert Analysis,” by Nicholas I. Crew, et al., in Chapter 24 of the *Litigation Services Handbook; The Role of the Financial Expert*, 5th ed., edited by Roman L. Weil, Daniel G. Lentz, and David P. Hoffman, John Wiley & Sons, Inc., 2012.

- 86. If the stock return over an event period is statistically significant, it indicates that the stock price movement cannot be attributed to market and peer group factors, or to random volatility, but rather was caused by company-specific information.
- 87. Such proof of a cause and effect relationship between new material information and a reaction in the stock price establishes market efficiency.

**B. A Caveat About Non-Significant Stock Price Movements**

- 88. It is important to note that an event study tests the joint hypothesis that the security trades in an efficient market and that the valuation impact of the information disseminated on the event date is of such large magnitude as to exceed the threshold for statistical significance. Therefore, a finding of statistical significance indicates market efficiency, but a finding of non-significance does not necessarily establish inefficiency, as a modest non-significant stock price reaction may be the appropriate and efficient stock price reaction to a particular disclosure.
- 89. For example, if a company reports earnings that are in-line with the expectations of analysts and investors, even though the announcement would be important, the mix of information may not have changed sufficiently on that date to elicit a statistically significant stock price reaction. Similarly, if a misrepresentation is made alongside countervailing confounding news which impacts the stock price in the opposite direction, the mix of information, while important, may not cause a statistically significant stock price reaction in an efficient market. In these examples, a modest stock price movement or even no movement at all may be the appropriate stock price reaction. In such cases, the event study finding that the stock return was non-significant would not indicate inefficiency. On the contrary, the appropriately non-significant stock price movement would show that the stock is behaving as it should in an efficient market.
- 90. Similarly, when a company deceives analysts and investors by concealing important information, the effect of the concealment would generally not be a significant stock price movement at the time of the concealment and over its duration. The concealment would maintain the mix of information as it previously was, so the appropriate price reaction would be a maintenance of the price level where it previously was.



91. Therefore, appropriate candidate events for inclusion in a market efficiency event study are events on which company-specific information was released that is new, unexpected, not confounded by countervailing news, and is of such import as reasonably to be expected to elicit a stock price reaction over the threshold for statistical significance.

**C. Event Studies Conducted on Earnings and Sales Announcement Events during the Class Period**

92. A company's financial results are among the most important considerations to investors assessing the value of its stock.<sup>25</sup>

“No other figure in the financial statements receives more attention by the investment community than earnings per share. The relationship between accounting earnings and security prices is probably the single most important relationship in security analysis, and its prominence is reflected in the attention given to price-earnings ratios.”

*Financial Reporting and Accounting Revolution*, 3rd ed., William H. Beaver, 1998, p. 38.

“Analysts, investors, senior executives, and boards of directors consider earnings the single most important item in the financial reports issued by publicly held firms.”

“Earnings Management to Exceed Thresholds,” Francois Degeorge, Jayendu Patel, and Richard Zeckhauser, *Journal of Business*, 1999, p. 1.

93. However, not every earnings announcement, contains new, unexpected, highly valuation impactful information. An event study for testing market efficiency should examine earning announcement surprises where a careful examination of the Company-specific information indicates that, on the basis of valuation principles, the new information would be expected to cause a stock price reaction above the threshold for statistical significance.

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<sup>25</sup> For example, see: Beaver [1968], Ball and Brown [1968], Ball [1978], Watts [1978], Patell and Wolfson [1984], and Ball and Kothari [1991]) have specifically examined stock price movements caused by earnings announcements, and concur that earnings announcements are unusually important information events generally.

1. Selection of Events

94. In order to limit criticism that an event selection process is potentially subjective, it is incumbent upon an analyst to select events in accordance with an objective screen. It follows that an event study testing market efficiency generally will not identify and test all dates during the Class Period, including all of those alleged in Plaintiffs Amended Complaint on which new material information was disclosed.<sup>26</sup> Further, because of the high threshold for statistical significance, it is also important to note that new information may be economically significant without being statistically significant.
95. To identify potential event dates, I reviewed Company earnings announcements and the Company's quarterly and annual filings that included quarter-to-date ("QTD") sales updates during the Class Period. There were three earnings announcement dates and three filing dates that included QTD sales updates during the Class Period. I reviewed news media and analyst reports published around each of these six dates to determine whether the information disclosed was new, valuation-relevant, information that could reasonably be expected to cause the Company's stock price to move by a statistically significant amount. I determined that two dates from this sample did not satisfy the selection criteria: 12 March 2013 and 11 June 2013, on account of the announcements being in line with prior expectations, or a countervailing mix of good and bad news.<sup>27,28</sup> I determined that

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<sup>26</sup> A comprehensive identification of all disclosures of information related to the alleged fraud is beyond the scope of this report, and is properly addressed in an analysis of loss causation and damages.

<sup>27</sup> On 11 March 2013, after the close of trading, the Company reported earnings for Q4 and FY 2013 and held a conference call with investors. The Company reported EPS of \$0.56, or \$0.57 after adjusting for onetime expenses, in line with consensus estimates of \$0.57 ("Urban Outfitters Reports a 104% Jump in Q4 Operating Profit," *Thomson Reuters*, 11 March 2013, 4:00PM; consensus estimates obtained from FactSet). Analysts from Oppenheimer believed that the Company's 4Q results "were in line with consensus after adjusting for a higher tax rate. The turnaround at the chain remains fluid, and importantly, QTD sales are trending in line with 4Q strength." ("4Q EPS Quick Read: The Picture Remains Bright," by Brian Nagel and Daniel Jacome, Oppenheimer, analyst report, 11 March 2013, p. 1.). An analyst from Canaccord published a report titled "Shares Appear Fairly Valued After A Marginal Miss In Q4," by Laura Champine and Jason Smith, Canaccord Genuity, analyst report, 11 March 2013, p. 1. Given that this news was expected, it does not warrant inclusions in an event study testing market efficiency.

<sup>28</sup> On 10 June 2013, after the close of trading, Urban Outfitters filed a 10-Q for Q1 2014 which disclosed 2Q 2014 QTD year-over-year sales growth ("comparable sales growth") of high single digits. (Urban Outfitters, Inc., Form 10-Q, filed 10 June 2013, 4:32 PM). Following the Company's QTD update, analysts expected that "the stock may remain flattish following a QTD sales update indicating comps are trending +HSD, in line with consensus expectations." ("10Q Update In line with Expectations After Lapping the Toughest Compare in May; Maintaining Estimates," by Betty Chen and Alex Pham, Wedbush, analyst report, 10 June 2013, p. 1.) and that the 10-Q filing "indicates fundamental trends remain on track and the company continues to execute well above peers." ("2Q Update In-Line

on the remaining four event dates, the Company-specific information was sufficiently important, unexpected, and unconfounded to warrant inclusion in the event study for testing market efficiency.

96. The following is a list of Company disclosure dates I identified that are appropriate for inclusion in the event study: 2 April 2013, 21 May 2013, 20 August 2013, and 10 September 2013. While it is the case that not all of these event dates are dates on which the Lead Plaintiff alleges misrepresentations or corrective disclosures occurred, information announced on each of these dates relates to the subject matter and type of information at issue in this case. Therefore, this event study not only tests market efficiency in general, but also efficiency of the market with respect to the information at issue in this case. The news on these dates included the following information:

- (i) **2 April 2013** – On 1 April 2013, after the close of trading, Urban Outfitters filed a form 10-K for FY 2013<sup>29</sup> which disclosed, among other things, that Q1 2014 (quarterly period ended 30 April 2013) QTD “comparable Retail segment net sales are high single-digit positive.”<sup>30</sup>
- (ii) **21 May 2013** – On 20 May 2013, after the close of trading, Urban Outfitters reported earnings for Q1 2014 (quarterly period ended 30 April 2013).<sup>31</sup>

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With Expectations,” by Kimberly Greenberger, et al., Morgan Stanley, analyst report, 10 June 2013, p. 1.) Given that this news was expected, it does not warrant inclusions in an event study testing market efficiency.

<sup>29</sup> “The Company’s fiscal year ends on January 31. All references in these notes to the Company’s fiscal years refer to the fiscal years ended on January 31 in those years. For example, the Company’s fiscal year 2014 will end on January 31, 2014.” Urban Outfitters, Inc., Form 10-Q for the Quarterly Period Ended April 30, 2013, filed 10 June 2013, p. 14.

<sup>30</sup> Urban Outfitters, Inc., Form 10-K for Fiscal Year Ended 31 January 2013, filed 1 April 2013, p. 32.

<sup>31</sup> “Urban Outfitters Reports Record Sales and a 39% Increase in Earnings,” *Thomson Reuters*, 20 May 2013, 5:00 PM.

- (iii) **20 August 2013** – On 19 August 2013, after the close of trading, Urban Outfitters reported earnings for Q2 2014 (quarterly period ended 31 July 2013).<sup>32</sup>
- (iv) **10 September 2013** – On 9 September 2013, after the close of trading, Urban Outfitters filed a 10-Q for Q2 2014 (quarterly period ended 31 July 2013) which disclosed, among other things, that Q3 2014 (quarterly period ended 31 October 2013) QTD “comparable Retail segment net sales were mid single-digit positive.”<sup>33</sup>

2. Isolating the Impact of Company-Specific Information

- 97. One component of event study analysis determines how much of the Company’s stock return following each of the events was driven by Company-specific information as opposed to the market and peer group factors.
- 98. The method, which is generally accepted and widely used in econometric modeling, involves running a regression to determine how Urban Outfitters common stock typically behaved in relation to the overall stock market and its peer group, and then using the regression model to determine how much of each event day’s actual return is explained by the market and peer group factors (“the explained return”).
- 99. The explained return is then subtracted from the actual return, to isolate the residual return, which is the stock’s return after controlling for market and peer group effects.
- 100. I ran a regression modeling the return of Urban Outfitters common stock as a function of: 1) a constant term, 2) the returns of the overall stock market, and 3) a peer group index return.
- 101. For the overall stock market factor I used the CRSP Market Total Return Index (“Market Index”), which is a generally accepted and widely used measure of the overall stock market performance. The CRSP Market Total Return Index appropriately incorporates payment of dividends by the constituent companies.

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<sup>32</sup> “Trendy apparel helps Urban Outfitters cut down discounts,” *Thomson Reuters*, 19 August 2013, 4:12 PM.

<sup>33</sup> Urban Outfitters, Inc., Form 10-Q, filed 9 September 2013, p. 22.

102. For the peer group factor, I constructed a market capitalization weighted index using the constituents, excluding Urban Outfitters, of the S&P 500 Apparel Retail Index (the “Peer Index”), which Urban Outfitters identified as representative of its peers in its Form 10-K for the Fiscal Year Ended 31 January 2014, filed 1 April 2014.<sup>34,35</sup>
103. Urban Outfitters stock prices, dividends, trading volume, and returns are shown in Exhibit-4. The index levels and returns of the Market Index and the Peer Index are presented in Exhibit-5.
104. I ran the regression on daily returns covering one full year ending on the last day of the Class Period, 10 September 2012 through 9 September 2013 (“estimation period”). Dummy variables controlled for potentially abnormal returns on earnings and QTD sales announcement dates. Using dummy variables to control for potentially important events in the estimation (control) period, especially when those dates are the subject of the event study analysis, so that the model parameters properly reflect typical stock price movements, is a widely used and generally accepted methodology, as noted in the academic and finance literature.<sup>36</sup> The choice of using one full year ending on the last day of the Class Period, for the regression estimation period is also a widely used and generally accepted methodology in event study analysis.

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<sup>34</sup> Urban Outfitters, Inc., Form 10-K for Fiscal Year Ended 31 January 2014, filed 1 April 2014, p. 21.

<sup>35</sup> I also tested whether using an alternative peer group in the regression affected the event study results. Using a peer group composed of American Eagle Outfitters, Abercrombie & Fitch, and Aeropostale, Inc., the event study significance results were unchanged.

<sup>36</sup> See, for example: “Event Studies with a Contaminated Estimation Period,” by Nihat Aktas, Eric de Bodt, and Jean-Gabriel Cousin, *Journal of Corporate Finance*, 2007; “Measuring the Effects of Regulation with Stock Price Data,” by John J. Binder, *The RAND Journal of Economics*, 1985; “Intervention Analysis with Applications to Economic and Environmental Problems,” by G. E. P. Box and G. C. Tiao, *Journal of the American Statistical Association*, 1975; “Testing for Market Efficiency: A Comparison of the Cumulative Average Residual Methodology and Intervention Analysis,” by David F. Larcker, Lawrence A. Gordon and George E. Pinches, *Journal of Financial & Quantitative Analysis*, 1980; “Measuring Abnormal Performance: The Event Parameter Approach Using Joint Generalized Least Squares,” by Paul H. Malatesta, *The Journal of Financial and Quantitative Analysis*, 1986; “Conditioning the Return-Generating Process on Firm-Specific Events: A Discussion of Event Study Methods,” by Rex Thompson, *The Journal of Financial and Quantitative Analysis*, 1985.

“Three general choices for the placement of an estimation window are before the event window, surrounding the event window, and after the event window.”

“Materiality and Magnitude: Event Studies in the Courtroom,” David I. Tabak and Frederick C. Dunbar in *Litigation Services Handbook, The Role of the Financial Expert*, 3rd ed., edited by Roman L. Weil, Michael J. Wagner, and Peter B. Frank, John Wiley & Sons, Inc., 2001, p. 19.

105. All returns used in the regression are logarithmic returns – that is, the natural logarithm of the ratio of the current day’s closing price plus dividends to the previous day’s closing price. Logarithmic returns are commonly used in event studies and equity analysis. Analysts and researchers generally use logarithmic returns instead of percent price changes because of various computational advantages.<sup>37</sup>
106. The regression results are presented in Exhibit-6.
107. I computed the explained portion of the Urban Outfitters common stock return on each event date by adding: 1) the estimated regression intercept term, 2) the respective day’s Market Index return multiplied by the Market Index coefficient estimated by the regression, and 3) that day’s Peer Index return multiplied by the regression’s Peer Index coefficient.
108. I then computed the residual return for each event date by subtracting the explained return from the actual return.

### 3. t-Test

109. For each event, a statistical test called a t-test was conducted to determine whether the residual return of Urban Outfitters stock can be explained by random volatility, or alternatively must have been caused by Company-specific information. A *t*-test compares the residual return on an event date to the typical residual return exhibited over the control period. If the event date residual return is far greater (positively or negatively) than the typical residual return, the t-test indicates that the residual return in question cannot have been caused by random volatility alone – i.e., it is statistically significant.<sup>38</sup>

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<sup>37</sup> The Appendix presents the mathematical formula for the logarithmic return and a discussion of the measure.

<sup>38</sup> The test is called the *t*-test because it involves the computation of a *t*-statistic, which is the event date residual return divided by the standard deviation of residual returns from the control period. If the absolute value of the *t*-statistic is greater than the critical *t*-statistic value (1.97 for large samples), the likelihood that the residual return could have been

110. The event study results for Urban Outfitters common stock are presented below and summarized in Exhibit-7.

4. Event Study Results: 2 April 2013

111. On 1 April 2013, after the close of trading, Urban Outfitters filed its Form 10-K for the Fiscal Year Ending 31 January 2013 and gave a QTD sales update for Q1 2014, stating that comparable retail segment net sales were high single digit positive thus far during the quarter.<sup>39</sup>
112. The comparable sales figures provided in the QTD update were strong, while industry and competitor sales were decreasing.

“Strong QTD Likely Reflects Market Share Gains. We note that temperatures across much of the country were unseasonably low during the month of March, and several retailers have called out the weather as a reason for disparate performance across different regions of the country. We believe that the unseasonably cool weather has restrained top-line sales for apparel retailers quarter-to-date, and thus we believe the strong results for URBN are likely indicative of market share gains as product initiatives have been resonating with the consumer.”

**“Quarter to Date Comps Tracking +HSD; Reiterate OW Rating And \$53 Price Target,”** by Neely Tammings and Alex Fuhrman, Piper Jaffray, analyst report, 1 April 2013, p. 1.

“We remain encouraged by the progress at URBN. ... With nearly every specialty retailer commenting on quarter-to-date weakness, URBN stands out as one of the few who has been able to maintain its strong momentum.” **“Issues 10-K and Comments on Current Sales Trends,”** by Dana Telsey, et al., TAG, analyst report, 2 April 2013, p. 1.

“Given continued strong trends, we see the potential for Urban to beat our full-quarter comp estimate of 8% to 9% against a 2.4% comparison. ... We expect investors will react positively to continued healthy sales trends, and, at 21 times our 2013 estimate, we continue to like shares given tangible

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caused by random volatility alone is less than 5%, which is generally accepted to be so unlikely that the random volatility explanation can be rejected.

<sup>39</sup> Urban Outfitters, Inc., Form 10-K for Fiscal Year Ended 31 January 2013, filed 1 April 2013, p. 32. According to EDGAR, the Company filed its Form 10-K at 4:37 PM.

returns on management's continued investments, including much improved full-priced selling and accelerating comp trends over the past year.”  
**“Strong Sales Trends Continue With High-Single-Digit Comps Through First Two Months of Quarter,”** by Sharon Zackfia, et al., William Blair, analyst report, 2 April 2013, p. 1.

113. On 2 April 2013, the first trading day after the 10-K filing, Urban Outfitters stock rose 3.73% (on a logarithmic return basis). The Market Index return was 0.29% and the Peer Index return was 1.05%.
114. Based on the regression model, the explained portion of the return on Urban Outfitters stock was 0.76%. The difference between the actual return of 3.73% and the explained return of 0.76% is a residual return of positive 2.97%. The residual return is an estimate of the return Urban Outfitters stock experienced absent market and peer group effects.
115. A residual return of 2.97% is an unusually large one-day increase for Urban Outfitters common stock. That residual return is associated with a *t*-statistic value of 2.92, which indicates that the residual return was too severe to have been merely a random fluctuation. The likelihood of obtaining a residual return of this magnitude and associated *t*-statistic due only to random volatility absent a reaction to the Company-specific information is only 0.38%. Therefore, the stock return is deemed statistically significant, and one can conclude that the positive Company news is what caused the stock price to rise that day.

##### 5. Event Study Results: 21 May 2013

116. After the close of trading on 20 May 2013, Urban Outfitters reported earnings for Q1 2014, held a conference call, and provided guidance for the remainder of the year. The Company reported Q1 2014 revenue of \$648.0 million, which was below consensus estimates of \$656.5 million.<sup>40</sup> For the quarter, the Company reported EPS of \$0.32 per share, which would have been below consensus estimates had the company not delayed a necessary SG&A expense.<sup>41</sup>

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<sup>40</sup> Consensus estimates obtained from FactSet.

<sup>41</sup> “Urban Outfitters Reports Record Sales and a 33% Increase in Earnings,” *Thomson Reuters*, 20 May 2013, 5:00 PM.



117. The SG&A spend delay, according to one analyst, “virtually guarantees that EPS projections for the rest of the year will be lowered.”

“Q1 EPS of \$0.32 would have missed the Street’s \$0.29 if not for a timing shift in SG&A spend (+\$0.04 vs our model) and lower taxes (+\$0.01).”  
**“Estimates Reduced but Signs of Hope in 2Q,”** by Roxanne Meyer and Janice Ong, UBS, analyst report, 20 May 2013, p. 1.

“URBN turned in a strong quarter but fell short of high sales and gross margin expectations. The upside in the EPS was largely driven by delayed headcount expansion into the second quarter.”  
**“URBN Delivers a Strong Quarter Driven by Expense Management,”** by Liz Dunn and Laurent Vasilescu, Macquarie, analyst report, 20 May 2013, p. 1.

“A 9% comp sales increase in a weather-challenged Q1 was not enough to meet consensus expectations for sales, illustrating the high bar investors have set for the company.”  
**“Expense-Driven EPS Beat Unlikely to be Enough; Remain Neutral,”** by Morry Brown, CL King, analyst report, 21 May 2013, p. 1.

“[D]espite a 9% comp, missed top line expectations and reiterated SG&A expansion guidance which virtually guarantees that consensus EPS projections for the rest of the year will be lowered.”  
**“1Q Bottom Line Upside Only a Matter of Timing; Reiterate Hold,”** by Eric Beder and Danielle McCoy, Brean Capital, analyst report, 21 May 2013, p. 1.

“Despite upside to the quarter, we are maintaining our 2013 and 2014 EPS estimates of \$1.90 and \$2.25, respectively, given the shift in expense timing. ... [C]omps at the Urban Outfitters brand came in slightly below expectations and earnings benefitted from a shift of headcount expenses to later quarters,”  
**“Investments Driving a ‘Direct’ Success,”** by Matthew McClintock, Barclays, analyst report, 20 May 2013, p. 1.

118. On 21 May 2013, Urban Outfitters stock declined 2.78% (on a logarithmic return basis). The Market Index return was 0.17% and the Peer Index return was 0.89%.
119. Based on the regression model, the explained portion of Urban Outfitters stock return was 0.59%. The difference between the actual return of -2.78% and the explained return of 0.59% is a residual return of -3.37%.

120. A residual return of -3.37% is an unusually large one-day decline for Urban Outfitters common stock. That residual return is associated with a *t*-statistic value of -3.31, which indicates that the residual return was too severe to have been a random fluctuation. The likelihood of obtaining a residual return of this magnitude and associated *t*-statistic due only to random volatility rather than as a reaction to the negative news that day is only 0.11%. Therefore, the stock return is deemed statistically significant, and one can conclude that the disappointing reported financial results is what caused the stock price to decline that day.

6. Event Study Results: 20 August 2013

121. After the close of trading on 19 August 2013, Urban Outfitters reported earnings for Q2 2014, held a conference call with investors, and provided guidance for the second half of 2014. The Company's reported EPS of \$0.51 and revenues of \$758.5 million beat consensus EPS estimates of \$0.48 and were in line with consensus revenue estimates.<sup>42</sup> Notably, the Company reported an increase in margins of +170 basis points ("bps"), beating consensus estimates of +80 bps for the quarter.
122. Analysts agreed that the Company's quarter results were strong and highlighted better than expected margins as a result of "continued focus on efficiency."

"Urban said after the market closed that its net income rose to \$76.4 million, or 51 cents per share, for the quarter that ended July 31. That is up from \$61.3 million, or 42 cents per share, in the same quarter last year. Its revenue increased to \$758.5 million from \$676.3 million with gains in both its retail and wholesale segments."

**"Urban Outfitters reports 25 percent jump in 2Q profit; shares up after hours,"**  
*Associated Press*, 19 August 2013, 4:45 PM.

"Inventory Right And Tight Heading Into The Back Half. Evidence of URBN's continued focus on efficiency across all channels of shopping, inventory levels are running flat on a comparable basis. We believe that

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<sup>42</sup> "Trendy apparel helps Urban Outfitters cut down discounts," *Thomson Reuters*, 19 August 2013, 4:12 PM.

having anniversaried its first year of channel agnostic order fulfillment, URBN is likely to continue to find margin enhancing opportunities in the quarters to come.”

**“Reiterating Overweight Rating Following FQ2 Report,”** by Neely Tamminga, Piper Jaffray, analyst report, 19 August 2013, p. 1.

“The upside was driven primarily by a strong customer response to the product and better-than-expected gross margin. URBN seems to have bucked the trend compared to what we have heard so far from other retailers on 2Q. They were able to maintain their high-single digit positive comp throughout the quarter without resorting to promotions to drive the business.”

**“URBN – 2Q EPS Beat on Strong Margins,”** by Howard Tubin, RBC Capital Markets, analyst report, 19 August 2013, p. 1

123. On 20 August 2013, Urban Outfitters stock rose 7.87% (on a logarithmic return basis). The Market Index return was 0.57% and the Peer Index return was 4.11%.
124. Based on the regression model, the explained portion of the return on Urban Outfitters stock was 2.86%. The difference between the actual return of 7.87% and the explained return of 2.86% is a residual return of 5.01%.
125. A residual return of 5.01% is an unusually large one-day increase for Urban Outfitters common stock. That residual return is associated with a *t*-statistic value of 4.93, which indicates that the residual return was too severe to have been a random fluctuation. The likelihood of obtaining a residual return of this magnitude and associated *t*-statistic given that particular explanation is virtually nil. Therefore, the stock return is deemed statistically significant and one can conclude that the stock price increase was a reaction to the positive news announced that day.

#### 7. Event Study Results: 10 September 2013

126. On 9 September 2013, after the close of trading, Urban Outfitters filed a 10-Q for Q2 2014, containing a QTD sales update for Q3 2014. The QTD update stated that comparable retail segment net sales were mid-single digit positive.<sup>43</sup>
127. Analysts were negatively surprised by the disclosed deceleration in sales Urban Outfitters was experiencing.

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<sup>43</sup> Urban Outfitters, Inc., Form 10-Q, filed 9 September 2013, p. 22

“The filing indicated that quarter-to-date comparable retail segment net sales (including Direct) were running up mid-single digits vs. 8% LY as compared to 2Q13 at 9.0% vs. 4.0% LY. This is a deceleration from commentary given August 19 on their 2Q13 earnings call, when URBN indicated that thus far in 3Q13, overall comp sales trends were in the HSD range, relatively consistent with 1H13.”

**“Issues 2Q13 10-Q and Comments on Current Sales Trends,” by Dana Telsey and Melissa Calandruccio, TAG, analyst report, 10 September 2013, p. 1.**

“We had also believed that QTD retail segment comps as of the August 19, 2013 earnings call were running similar to the 2Q13 trend of +9%, with an acceleration at the Anthropologie and FreePeople divisions, offset by a deceleration at the Urban Outfitters division (but still positive); however, we now believe the UO division has decelerated more than our initial projections.”

**“3QTD Retail Segment Comps Running +MSD; UO Division Drives the Deceleration,” by Adrienne Tennant and Gabriella Carbone, Janney, analyst report, 10 September 2013, p. 1.**

“Given decelerating trends at the UO division, we believe 3Q13 and 4Q13 could potentially see margin pressure as the company works on moving through inventory, and therefore we are lowering EPS.”

**“3QTD Retail Segment Comps Running +MSD,” by Adrienne Tenant and Gabriella Carbone, Janney, analyst report, 10 September 2013, p. 1.**

128. On 10 September 2013, Urban Outfitters stock fell 10.77% (on a logarithmic return basis). The Market Index return was 0.73% and the Peer Index return was 0.47%.
129. Based on the regression model, the explained portion of the return on Urban Outfitters stock was 0.68%. The difference between the actual return of -10.77% and the explained return of 0.68% is a residual return of -11.45%.
130. A residual return of -11.45% is an extraordinarily large one-day decline for Urban Outfitters common stock. That residual return is associated with a *t*-statistic value of -11.26, which indicates that the residual return was too severe to have been a random fluctuation. The likelihood of obtaining a residual return of this magnitude and associated *t*-statistic given that particular explanation is virtually nil. Therefore, the stock return is deemed statistically significant. With a very high degree of statistical certainty, one can conclude that the negative Company news disclosed that day caused the Urban Outfitters stock price decline.

**D. Event Study Summary**

131. The event study results show that for each of the four events identified as appropriate candidates for inclusion in a market efficiency event study, there was a strongly statistically significant cause and effect relationship between the release of new information and a directionally appropriate stock price reaction.
132. This finding proves that during the Class Period, Urban Outfitters common stock traded in an efficient market.

**E. Additional Tests of Market Efficiency – Examining Event Dates Collectively**

133. In addition to assessing market efficiency by observing whether the stock price reacted appropriately on important news event dates individually, one can also test for market efficiency by assessing collectively whether the stock generally moves more on days with greater information flow than on more typical non-news days. That is, if the stock price movements are generally greater among a collection of news days than among all other non- or lesser news days, this result would establish that there is a cause and effect relationship between the flow of information and stock price movements, which indicates market efficiency.

1. High Frequency of Statistically Significant Price Movements on Earnings Announcement and QTD Filing Dates

134. A cause and effect relationship between the release of information and reaction in the stock price is established if there is a higher frequency of statistically significant events within a sample of dates on which there was a greater flow of new information, as compared to the ordinary frequency of statistically significant events within the control sample of typical days.
135. Specifically, in this case, if the frequency of significant price movements is statistically significantly greater for earnings and QTD sales announcement days than for ordinary days, the finding would indicate that Urban Outfitters stock price responds to the higher information flow on the event dates, demonstrating market efficiency.
136. By construction, approximately 5% of ordinary non-event dates during the Class Period are of such magnitude as to appear to be statistically significant. For Urban Outfitters, all

of the news event dates (4 of 4) exhibited statistical significance. This difference in frequencies is meaningful, significant, and indicates market efficiency.

137. Under a null hypothesis that Urban Outfitters stock does not behave any differently on important news event dates (as defined by the event selection criteria) than on ordinary days, there would be only a 5% probability that any such individual event would elicit a statistically significant stock price reaction at the 95% confidence level. Under the hypothesis that the stock behaves no differently on event dates than on ordinary days, the probability that 4 of 4 such events would be statistically significant is less than 1 in 100,000. This probability is assessed using a binomial distribution, computing the likelihood of 4 out of 4 positive results (of individual statistical significance) where a positive result has a probability of 5% and a negative result has a probability of 95%.<sup>44</sup>
138. Therefore, based on the finding that 4 of the 4 event dates were indeed statistically significant, we can conclude that Urban Outfitters stock did react to the event date news, demonstrating market efficiency throughout the Class Period.

## 2. F-Test and Ansari-Bradley Test of Event Return Dispersion

139. Announcements of financial results sometimes constitute unexpected good news, sometimes constitute unexpected bad news, and sometimes the results are consistent with market expectations. In an efficient market, the stock price would rise after unexpected good news, fall after unexpected bad news, and would not be expected to exhibit a significant reaction to news that is in-line with expectations. Therefore, there would be a wider dispersion of returns on earnings and sales announcement dates, as long as some of the announcements contained some unexpected good or bad news.
140. The dispersion in the distribution of stock price returns is commonly measured by the sample standard deviation statistic. Comparing the sample standard deviation of returns on earnings and QTD sales announcement days to the sample standard deviation of returns for all other days, thus tests market efficiency. A greater sample standard deviation for the earnings and QTD sales announcement day returns would indicate market efficiency.

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<sup>44</sup> For more explanation about this test and computation, see for example, *Introduction to Mathematical Statistics*, by Robert V. Hogg, Joseph W. McKean, and Allen T. Craig, 6th Edition, Pearson Prentice Hall, 2005, pp. 133-134.

141. The F-test and Ansari-Bradley test are statistical tests that compare standard deviations between two groups. I ran these tests to ascertain whether or not the dispersion of stock price movements on earnings and QTD sales announcement dates was greater than the dispersion on all other dates, and therefore indicates market efficiency, or not.
142. I ran both tests on the residual returns for Urban Outfitters common stock, that is, the portion of the stock price returns remaining after controlling for the impact of market and peer group effects. Running the tests on residual returns focuses the tests more precisely on the effects of Company-specific information on the Company's stock price.

*a. F-Test*

143. The sample standard deviation of the six earnings and QTD sales announcement days residual returns was 5.91%. The sample standard deviation of all other days' returns was 0.92%. Clearly, the earnings and QTD sales announcement days sample standard deviation was more than five times greater than the sample standard deviation for all other days.
144. An F-test assesses whether the difference between the two sample standard deviations is statistically significant, or alternatively, a potentially random result. The F-statistic for these two samples is 40.88, which is greater than the 95% confidence level critical F-statistic value of 2.29 (with 5 and 120 degrees of freedom), indicating that the difference in sample standard deviations is statistically significant and meaningful.
145. The F-test finds that the dispersion of earnings and QTD sales announcement days returns is significantly greater than the dispersion of returns for all other days. This result demonstrates that the price of Urban Outfitters common stock moved more on earnings and QTD sales announcement days than on other days. This statistical result indicates that there was a cause and effect relationship between the release of new Company-specific information and reactions in the Urban Outfitters common stock price, which therefore establishes that Urban Outfitters common stock traded in an efficient market.

*b. Ansari-Bradley Test*

146. The Ansari-Bradley test is another test that determines whether or not two data samples have significantly different dispersions, which, as discussed above, when applied to a sample of information event dates, in comparison to all other dates, would indicate market efficiency. The Ansari-Bradley test is a well-regarded and generally accepted test for comparing sample dispersions and is presented and described in numerous authoritative textbooks.<sup>45</sup>
147. Applied to the six earnings and QTD sales event returns and the sample of all other returns observed during the Class Period, the Ansari-Bradley test, like the F-test, finds with an extremely high degree of statistical certainty that the dispersion of information event returns was significantly greater than the dispersion of returns on all other days. The Ansari-Bradley C-statistic for the two samples of Urban Outfitters stock residual returns is 3.44, which is greater than the critical C-statistic threshold of 1.64 for significance at the 95% confidence level. This result is further proof that the price of Urban Outfitters common stock moved more on earnings and QTD sales announcement days than on other days during the Class Period.
148. This statistical test result indicates that there was a cause and effect relationship between the release of new, Company-specific information and reactions in the Urban Outfitters common stock price, which therefore establishes that Urban Outfitters common stock traded in an efficient market during the Class Period.

## **VIII. PER SHARE DAMAGE METHODOLOGY**

149. Plaintiff's counsel asked me to opine on whether per share damages could be measured for each Class member under Section 10(b) of the Exchange Act using a common methodology for all Class members. Assuming a Plaintiff verdict on the allegations of fraud, Section 10(b) per share damages can be measured as follows.

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<sup>45</sup> For example: W.J. Conover, *Practical Nonparametric Statistics* (John Wiley & Sons, 2d ed. 1980); Wayne W. Daniel, *Applied Nonparametric Statistics* (Houghton Mifflin 1978); Myles Hollander & Douglas A. Wolfe, *Nonparametric Statistical Methods* (John Wiley & Sons 1973); Rupert, G. Miller, Jr., *Beyond ANOVA: Basics of Applied Statistics* (John Wiley & Sons 1986); and Jerrold H. Zar, *Biostatistical Analysis* (Prentice-Hall, 3d ed. 1996).



150. First, valuation tools, which would include event study analysis such as that described herein, and potentially other empirical analyses if necessary, would be used to establish that the disclosure(s), correcting the alleged misrepresentations and omissions, caused the price of Urban Outfitters common stock to fall. This analysis, after controlling for potentially non-fraud-related information, would establish that the alleged misrepresentations and omissions had caused the stock price to be artificially inflated, and that the corrective disclosures caused the inflation to dissipate, in turn causing investor losses. This analysis would apply on a class-wide basis.
151. Second, an inflation ribbon would be constructed, indicating how much artificial inflation caused by the alleged misrepresentations and omissions was in the price of Urban Outfitters common stock on each day during the Class Period. An inflation ribbon is a time series of the difference between the actual stock price observed in the marketplace, and the estimated price that the stock would have traded at each day had there been full disclosure from the outset of the Class Period. Construction of the inflation ribbon generally employs event study analysis, combined, as necessary, with widely used and generally accepted valuation tools and models. The inflation ribbon is often constructed by working chronologically backwards from the final corrective disclosure to the start of the Class Period, accounting for the alleged fraud-related residual price declines as they occurred. Inflation prior to a corrective disclosure that dissipated inflation is greater than the inflation afterward by the amount of inflation that dissipated. This analysis would also apply on a class-wide basis.
152. Third, the measure of per share damages generally applied in 10b-5 cases is the reduction in the inflation ribbon over an investor's holding period (the economic/inflation loss). That is, for each Class member, per share damages would be calculated as the difference between the inflation on the date shares were purchased and the inflation on the date those same shares were subsequently sold. Per share damages are limited, however, to be no greater than the decline in share price over the holding period, which is the investment loss actually sustained. Pursuant to the Private Securities Litigation Reform Act of 1995 (the "PSLRA") (15 U.S.C. § 78u-4(e)), for any shares sold during the 90-day period after the end of the Class Period, per share damages would be calculated as the lesser of the reduction in the dollar inflation over the investor's holding period (the economic/inflation

loss), or the decline in the stock price (the investment loss), where the terminal stock price is deemed to be the average price from the final corrective disclosure date to the sale date (or, if higher, the actual sale price). Also pursuant to the PSLRA, for any shares held 90 days or more beyond the final corrective disclosure, damages would equal the lesser of the reduction in the dollar inflation over the investor's holding period (the economic/inflation loss) or the decline in the stock price (the investment loss), where the terminal stock price is deemed to be the average price over the 90 days following the final corrective disclosure. The calculation of each Class member's damages would be a mechanical arithmetical exercise, conducted the same way for all Class members, applying the results of the class-wide analyses described above to each Class member's trading data.

153. Consequently, each Class member's per share damages under Section 10(b) can be computed in the same way, common to all Class members, using readily available daily pricing information, in accordance with widely used and generally accepted methodologies and the PSLRA.
154. I have not yet been asked to calculate damages for any of the claims alleged on behalf of the class, and such calculations will likely depend, in part, on the completion of discovery. However, the methodology described above is generally accepted and widely used for calculating damages under Section 10(b) consistently on a class-wide basis in securities class actions.

## **IX. SUMMARY**

155. Urban Outfitters common stock traded on the NASDAQ. The Company was covered by numerous analysts. Institutional ownership of Urban Outfitters common stock was widespread. Trading was active. Market capitalization and float were both high. During the Class Period, Urban Outfitters made timely filings with the SEC and financial information about the Company was readily available to investors and analysts. The Company was always eligible for S-3 registrations. The stock's bid-ask spread was narrow.

156. Not only did the market for Urban Outfitters common stock satisfy all of the *Cammer* and *Krogerman* factors that indicate market efficiency, but it also satisfied the empirical *Cammer* factor, which demonstrates the essence of market efficiency. The empirical tests proved that there was a cause and effect relationship between new material information and appropriate movements in the Urban Outfitters stock price.
157. Given these facts, I conclude that Urban Outfitter common stock traded in an efficient market over the course of the Class Period.
158. Damages for Class members' claims under Section 10(b) of the Exchange Act can be measured pursuant to a common methodology for each Class member.

**X. LIMITING FACTORS AND OTHER ASSUMPTIONS**

159. This report is furnished solely for the purpose of court proceedings in the above referenced matter and may not be used or referred to for any other purpose. The analysis and opinions contained in this report are based on information available as of the date of this report. I reserve the right to supplement or amend this report, including in the event additional information becomes available.



Steven P. Feinstein, Ph.D., CFA

**XI. APPENDIX: LOGARITHMIC RETURNS**

- A1-1. Logarithmic returns, rather than percent change returns are commonly used in stock return regressions and event study analysis and were used in the regression modeling here. The formula for a logarithmic return is:

$$R_t = \ln\left(\frac{P_t + d_t}{P_{t-1}}\right)$$

where:

$R_t$  is the logarithmic return on day  $t$ ;

$P_t$  is the stock price at the end of day  $t$ ;

$P_{t-1}$  is the stock price from the previous day, day  $t-1$ ;

$d_t$  is the dividend on day  $t$ , if any.

- A1-2. The formula for converting a logarithmic return into a dollar return is:

$$DR_t = P_{t-1} \cdot (e^{R_t} - 1)$$

where:

$DR_t$  is the dollar return on day  $t$ ;

$P_{t-1}$  is the stock price from the previous day, day  $t-1$ ;

$e$  is natural  $e$  (approximately 2.7);

$R_t$  is the logarithmic return on day  $t$ .

- A1-3. If a stock falls from \$20 to \$18, the percent change in price is -10%, equal to the \$2 decline divided by the original \$20 price. The logarithmic return, however, is -10.54%, equal to  $\ln(\$18/\$20)$ .
- A1-4. The logarithmic return relates a price change to an average of the original, final, and intervening prices over the course of a price decline. As such, for large price declines, it is possible for a logarithmic price decline to exceed 100%, since the price decline may be greater than the average of the beginning and ending prices.
- A1-5. An attractive feature of a logarithmic return is that it can be decomposed into contributing factors linearly. That is, the portion of a logarithmic return caused by company-specific information is isolated by subtracting from the total logarithmic return the portion of the total return caused by market and peer group factors.

**Exhibit-1**

**Documents and Other Information Reviewed and Relied Upon**

**CASE DOCUMENTS**

- Amended Class Action Complaint for Violations of the Federal Securities Laws, dated 10 March 2014.

**NEWS ARTICLES/PRESS RELEASES**

- Factiva news articles (1585) from 1 March 2012 to 30 September 2014, downloaded using the following search parameters: Sources Field: *The Wall Street Journal*, *Reuters Newswires*, *Dow Jones Newswires*, Major News and Business Publications, Press Release Wires – All Sources; Company: Urban Outfitters, Inc.; All Subjects; All Industries; All Regions.

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- Janney Montgomery Scott, 4 June 2012.
- Piper Jaffray, 6 June 2012.
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**Exhibit-1**

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- Morgan Stanley, 7 August 2012.
- Wedbush Securities, 10 August 2012.
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- Maxim Group, 10 September 2013.
- Janney Montgomery Scott, 10 September 2013.
- Morgan Stanley, 10 September 2013.
- Keybank Capital Markets, 11 September 2013.
- Trefis, 12 September 2013.
- S&P Capital IQ, 13 September 2013.
- SterneAgee Crt, 13 September 2013.

**Exhibit-1**

**Documents and Other Information Reviewed and Relied Upon**

- SterneAgee Crt, 13 September 2013.
- JPMorgan, 17 September 2013.
- Canaccord Genuity, 20 September 2013.
- Piper Jaffray, 26 September 2013.
- Piper Jaffray, 8 October 2013.
- Piper Jaffray, 12 October 2013.
- William Blair, 11 November 2013.
- Telsey Advisory Group, 12 November 2013.
- Janney Montgomery Scott, 13 November 2013.
- Janney Montgomery Scott, 14 November 2013.
- RBC, 15 November 2013.
- Trefis, 15 November 2013.
- Macquarie Research, 18 November 2013.
- Wells Fargo, 18 November 2013.
- Oppenheimer, 18 November 2013.
- Ascendant Capital Markets, 18 November 2013.
- Canaccord Genuity, 18 November 2013.
- RBC, 18 November 2013.
- Piper Jaffray, 18 November 2013.
- BMO, 18 November 2013.
- Keybank Capital Markets, 18 November 2013.
- William Blair, 18 November 2013.
- Suntrust Robinson Humphrey, 18 November 2013.
- Brean Capital, 19 November 2013.
- Barclays, 19 November 2013.
- Credit Suisse, 19 November 2013.
- Morgan Stanley, 19 November 2013.
- RBC, 19 November 2013.
- Brean Capital, 19 November 2013.
- Telsey Advisory Group, 19 November 2013.
- Maxim Group, 19 November 2013.
- Trefis, 19 November 2013.
- Ascendant Capital Markets, 19 November 2013.
- Janney Montgomery Scott, 19 November 2013.
- Jefferies, 19 November 2013.
- SterneAgee Crt, 19 November 2013.
- UBS Research, 19 November 2013.
- S&P Capital IQ, 20 November 2013.
- JPMorgan, 22 November 2013.

**Exhibit-1**

**Documents and Other Information Reviewed and Relied Upon**

- Wedbush Securities, 29 November 2013.
- SterneAgee Crt, 2 December 2013.
- William Blair, 4 December 2013.
- Oppenheimer, 8 December 2013.
- Oppenheimer, 9 December 2013.
- RBC, 9 December 2013.
- Janney Montgomery Scott, 9 December 2013.
- Wells Fargo, 10 December 2013.
- Piper Jaffray, 10 December 2013.
- RBC, 10 December 2013.
- Ascendant Capital Markets, 10 December 2013.
- Suntrust Robinson Humphrey, 10 December 2013.
- SterneAgee Crt, 11 December 2013.
- Morgan Stanley, 11 December 2013.
- Maxim Group, 11 December 2013.
- Telsey Advisory Group, 11 December 2013.
- Janney Montgomery Scott, 11 December 2013.
- Piper Jaffray, 14 December 2013.
- Trefis, 19 December 2013.
- Janney Montgomery Scott, 19 December 2013.
- Wells Fargo, 23 December 2013.
- Ascendant Capital Markets, 5 January 2014
- Brean Capital, 6 January 2014
- Wells Fargo, 7 January 2014
- Ascendant Capital Markets, 8 January 2014
- Maxim Group, 8 January 2014
- Suntrust Robinson Humphrey, 9 January 2014
- SterneAgee Crt, 9 January 2014
- Brean Capital, 9 January 2014
- Piper Jaffray, 9 January 2014
- Maxim Group, 9 January 2014
- Ascendant Capital Markets, 9 January 2014
- RBC, 9 January 2014
- Piper Jaffray, 9 January 2014
- William Blair, 9 January 2014
- Canaccord Genuity, 9 January 2014
- RBC, 10 January 2014
- UBS Research, 13 January 2014
- Piper Jaffray, 13 January 2014

**Exhibit-1**

**Documents and Other Information Reviewed and Relied Upon**

- BMO, 13 January 2014
- RBC, 13 January 2014
- S&P Capital IQ, 14 January 2014
- William Blair, 14 January 2014
- Macquarie Research, 14 January 2014
- Morgan Stanley, 14 January 2014
- Maxim Group, 14 January 2014
- Trefis, 21 January 2014
- Ascendant Capital Markets, 30 January 2014
- William Blair, 3 February 2014
- Ascendant Capital Markets, 4 February 2014
- Janney Montgomery Scott, 5 February 2014
- JPMorgan, 7 February 2014
- Piper Jaffray, 7 February 2014
- RBC, 9 February 2014
- Janney Montgomery Scott, 10 February 2014
- Suntrust Robinson Humphrey, 10 February 2014
- Jefferies, 10 February 2014
- UBS Research, 10 February 2014
- Brean Capital, 10 February 2014
- Canaccord Genuity, 10 February 2014
- William Blair, 10 February 2014
- Macquarie Research, 10 February 2014
- Wells Fargo, 10 February 2014
- Piper Jaffray, 10 February 2014
- Ascendant Capital Markets, 10 February 2014
- RBC, 10 February 2014
- Keybank Capital Markets, 10 February 2014
- Oppenheimer, 10 February 2014
- Morgan Stanley, 11 February 2014
- Brean Capital, 11 February 2014
- Telsey Advisory Group, 11 February 2014
- Trefis, 12 February 2014
- JPMorgan, 12 February 2014
- Wedbush Securities, 26 February 2014
- William Blair, 28 February 2014

**Exhibit-1**

**Documents and Other Information Reviewed and Relied Upon**

**SEC FILINGS**

- Urban Outfitters, Inc. Form 10-K for the Fiscal Year Ended January 31, 2012, filed 2 April 2012.
- Urban Outfitters, Inc. Form DEF 14A, filed 2 April 2012.
- Urban Outfitters, Inc. Form 10-Q for the Quarter Ended April 30, 2012, filed 11 June 2012.
- Urban Outfitters, Inc. Form 11-K, filed 20 June 2012.
- Urban Outfitters, Inc. Form 10-Q for the Quarter Ended July 31, 2012, filed 10 September 2012.
- Urban Outfitters, Inc. Form S-8, filed 14 September 2012.
- Urban Outfitters, Inc. Form 10-Q for the Quarter Ended October 31, 2012, filed 10 December 2012.
- Urban Outfitters, Inc. Form 8-K, filed 12 March 2013.
- Urban Outfitters, Inc. Form 10-K for the Fiscal Year Ended January 31, 2013, filed 1 April 2013.
- Urban Outfitters, Inc. Form DEF 14A, filed 2 April 2013.
- Urban Outfitters, Inc. Form 8-K, filed 21 May 2013.
- Urban Outfitters, Inc. Form 10-Q for the Quarter Ended April 30, 2013, filed 10 June 2013.
- Urban Outfitters, Inc. Form 11-K, filed 26 June 2013.
- Urban Outfitters, Inc. Form 8-K, filed 20 August 2013.
- Urban Outfitters, Inc. Form 10-Q for the Quarter Ended July 31, 2013, filed 9 September 2013.
- Urban Outfitters, Inc. Form 8-K, filed 19 November 2013.
- Urban Outfitters, Inc. Form 10-Q for the Quarter Ended October 31, 2013, filed 10 December 2013.
- Urban Outfitters, Inc. Form 8-K, filed 9 January 2014.
- Urban Outfitters, Inc. Form 8-K, filed 11 February 2014.
- Urban Outfitters, Inc. Form 8-K, filed 11 March 2014.
- Urban Outfitters, Inc. Form 10-K for the Fiscal Year Ended January 31, 2014, filed 1 April 2014.
- Urban Outfitters, Inc. Form DEF 14A, filed 1 April 2014.
- Urban Outfitters, Inc. Form DEFA14A, filed 1 April 2014.
- Urban Outfitters, Inc. Form DEFA14A, filed 8 April 2014.
- Urban Outfitters, Inc. Form 8-K, filed 20 May 2014.
- Urban Outfitters, Inc. Form 8-K, filed 27 May 2014.
- Urban Outfitters, Inc. Form 10-Q for the Quarter Ended April 30, 2014, filed 9 June 2014.



**Exhibit-1****Documents and Other Information Reviewed and Relied Upon**

- Urban Outfitters, Inc. Form 11-K, filed 20 June 2014.
- Urban Outfitters, Inc. Form 8-K, filed 19 August 2014.
- Urban Outfitters, Inc. Form 10-Q for the Quarter Ended July 31, 2014, filed 9 September 2014.

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- Aktas, Nihat, Eric de Bodt, and Jean-Gabriel Cousin, “Event Studies with a Contaminated Estimation Period,” *Journal of Corporate Finance*, 2007.
- Barber, Brad M., Paul A. Griffin, and Baruch Lev, “The Fraud-on-the-Market Theory and the Indicators of Common Stock Efficiency,” *Journal of Corporation Law*, 1994.
- Beaver, William H., *Financial Reporting an Accounting Revolution*, 3rd ed., 1998.
- Ball, Ray, and Stephen J. Brown, “An Empirical Evaluation of Accounting Income Numbers,” *Journal of Accounting Research*, 1968.
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- Ball, Ray, and S. P. Kothari, “Security Returns around Earnings Announcements,” *The Accounting Review*, 1991.
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- Box, G.E.P., and G.C. Tiao, “Intervention Analysis with Applications to Economic and Environmental Problems,” *Journal of the American Statistical Association*, 1975.
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- Fama, Eugene F., “Efficient Capital Markets: II,” *Journal of Finance*, 1991.
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- Larcker, David F., Lawrence A. Gordon, and George E. Pinches, "Testing for Market Efficiency: A Comparison of the Cumulative Average Residual Methodology and Intervention Analysis," *The Journal of Financial and Quantitative Analysis*, 1980.
- Malatesta, Paul H., "Measuring Abnormal Performance: The Event Parameter Approach Using Joint Generalized Least Squares," *The Journal of Financial and Quantitative Analysis*, 1986.
- Miller Jr., Rupert G., *Beyond ANOVA: Basics of Applied Statistics*, John Wiley & Sons, 1986.
- Patell, James M., and Mark A. Wolfson, "The Intraday Speed Of Adjustment Of Stock Prices To Earnings And Dividend Announcements," *Journal of Financial Economics*, 1984.
- Tabak, David, and Frederick Dunbar, "Materiality and Magnitude: Event Studies in the Courtroom," *Litigation Services Handbook*, 3rd edition, John Wiley & Sons, 2001.
- Thompson, Rex, "Conditioning the Return-Generating Process on Firm-Specific Events: A Discussion of Event Study Methods," *The Journal of Financial and Quantitative Analysis*, 1985.
- Zar, Jerrold H., *Biostatistical Analysis*, 3<sup>rd</sup> edition, Prentice-Hall, 1996.

**CONFERENCE CALLS**

- "URBN – Urban Outfitters, Inc. at Piper Jaffray Consumer Conference," *Thomson StreetEvents*, 6 June 2012.
- "URBN – Urban Outfitters, Inc. at Oppenheimer Holdings Inc Consumer Conference," *Thomson StreetEvents*, 26 June 2012.
- "URBN – Q2 2013 Urban Outfitters, Inc. Earnings Conference Call," *Thomson StreetEvents*, 20 August 2012.
- "URBN – Urban Outfitters Analyst Day," *Thomson StreetEvents*, 27 September 2012.
- "URBN – Q3 2013 Urban Outfitters, Inc. Earnings Conference Call," *Thomson StreetEvents*, 19 November 2012.
- "URBN – Urban Outfitters, Inc. at Wedbush Securities California Dreamin' Consumer: Management Access Conference" *Thomson StreetEvents*, 12 December 2012.
- "URBN – Urban Outfitters, Inc. at ICR XChange Conference," *Thomson StreetEvents*, 17 January 2013.
- "URBN – Q4 2013 Urban Outfitters, Inc. Earnings Conference Call," *Thomson StreetEvents*, 11 March 2013.
- "URBN – Urban Outfitters, Inc. at UBS Global Consumer Conference," *Thomson StreetEvents*, 13 March 2013.
- "URBN – Urban Outfitters, Inc. at Morgan Stanley Retail & Restaurant Conference," *Thomson StreetEvents*, 4 April 2013.

## **Exhibit-1**

### **Documents and Other Information Reviewed and Relied Upon**

- “URBN – Q1 2014 Urban Outfitters, Inc. Earnings Conference Call,” *Thomson StreetEvents*, 20 May 2013.
- “URBN – Urban Outfitters, Inc. at Goldman Sachs dotCommerce Day,” *Thomson StreetEvents*, 6 June 2013.
- “URBN – Urban Outfitters, Inc. at Piper Jaffray Consumer Conference,” *Thomson StreetEvents*, 12 June 2013.
- “URBN – Q2 2014 Urban Outfitters, Inc. Earnings Conference Call,” *Thomson StreetEvents*, 19 August 2013.
- “URBN – Urban Outfitters, Inc. at Goldman Sachs Global Retailing Conference,” *Thomson StreetEvents*, 11 September 2013.
- “URBN – Q3 2014 Urban Outfitters, Inc. Earnings Conference Call,” *Thomson StreetEvents*, 18 November 2013.
- “URBN – Urban Outfitters, Inc. at Integrated Corporate Relations (ICR) XCHANGE,” *Thomson StreetEvents*, 13 January 2014.

### **DATA AND DATABASES**

- Bloomberg
- CRSP (Center for Research in Security Prices)
- EDGAR
- Factiva
- FactSet
- Thomson Research

### **LEGAL CASES**

- *Cammer v. Bloom*, 711 F. Supp. 1264 (N.J., 1989).
- *Krogman v. Sterritt*, 202 F.R.D. 467 (N.D.Tex. 2001).
- *Unger v. Amedisys*, 401 F.3d 316 (5<sup>th</sup> Cir. 2005).
- *Nguyen v. Radient Pharm. Corp.*, 287 F.R.D. 563, 573 (C.D. Cal. 2012).
- *Amgen Inc., et al. v. Connecticut Retirement Plans*, 133 S. Ct. 1184, 1190 (2013).
- *Halliburton Co. Et Al. v. Erica P. John Fund, Inc., FKA Archdiocese of Milwaukee Supporting Fund, Inc.*, 573 U. S. 10 (2014).

**Exhibit-1**

**Documents and Other Information Reviewed and Relied Upon**

**OTHER**

- “Nasdaq To Enable Customers To Trade NYSE Stocks,” *Reuters*, 28 March 2005.
- “Revisions to the Eligibility Requirements for Primary Securities Offerings on Forms S-3 and F-3,” SEC Release No. 33-8878, 19 December 2007.
- “Fact Sheet; Designated Market Makers,” NYSE Euronext, 2012.
- “Float Adjustment Methodology,” *S&P Dow Jones Indices*, July 2012.
- Any other documents and data cited in the report.

**Exhibit-2**  
**Curriculum Vitae**  
**Steven P. Feinstein, Ph.D., CFA**

Babson College  
Finance Division  
Babson Park, MA 02457  
781-239-5275  
Feinstein@Babson.edu

**EDUCATION**

- 1989 YALE UNIVERSITY  
Ph.D. in Economics (Concentration in Finance)
- 1986 YALE UNIVERSITY  
M.Phil. in Economics
- 1983 YALE UNIVERSITY  
M.A. in Economics
- 1981 POMONA COLLEGE  
B.A. in Economics (Phi Beta Kappa, *cum laude*)

**TEACHING EXPERIENCE**

- 1996 - present      BABSON COLLEGE  
Babson Park, MA  
Full-time Faculty, Finance Division  
Associate Professor (2000-present)  
Donald P. Babson Chair in Applied Investments (2002-2010)  
Faculty Director of the Babson College Fund (2002-2009)  
Director of the Stephen D. Cutler Investment Management Center  
(2002-2007)  
Assistant Professor (1996-2000)
- 1990 - 1995      BOSTON UNIVERSITY SCHOOL OF MANAGEMENT  
Boston, MA  
Full-time Faculty, Department of Finance
- 1993 - 1994      WASHINGTON UNIVERSITY, OLIN SCHOOL OF BUSINESS  
St. Louis, MO  
Visiting Assistant Professor, Department of Finance

**Exhibit-2**  
**Curriculum Vitae**  
**Steven P. Feinstein, Ph.D., CFA**

**BUSINESS EXPERIENCE**

2008 - present	CROWNINSHIELD FINANCIAL RESEARCH, INC. Wellesley, MA President and Senior Expert
1996 - 2008	THE MICHEL-SHAKED GROUP Boston, MA Senior Expert (2001 - 2008) Affiliated Expert (1996 - 2001)
1987 - 1990	FEDERAL RESERVE BANK OF ATLANTA Economist

**PROFESSIONAL DESIGNATIONS**

1998    Awarded the Chartered Financial Analyst designation by the Association for Investment Management and Research.

**RESEARCH AWARDS**

1999    Greater Boston Real Estate Board/Real Estate Finance Association – Research Grant and Featured Speaker at Real Estate Finance Association Meetings.

**PAPERS AND PUBLICATIONS**

“Underestimation of Securities Fraud Aggregate Damages Due to Inter-Fund Trades.” (with Gang Hu, Mark Marcus, and Zann Ali) *Journal of Forensic Economics*, September 2013, Vol. 24, No. 2, 161-173.

“Lehman Equity Research Tipping: Evidence in the Stock Price Data,” Working paper, March 2010. Cited in *New York Times* May 19, 2012, and made available on the *New York Times* website.

“Distortion in Corporate Valuation: Implications of Capital Structure Changes” (with Allen Michel and Jacob Oded) *Managerial Finance*, 2011, Vol. 37(8), 681-696.

“Market Signals of Investment Unsuitability” (with Alexander Liss and Steven Achatz) Law360.com, June 3, 2010. Available from <http://www.law360.com/articles/170690>.

**Exhibit-2**  
**Curriculum Vitae**  
**Steven P. Feinstein, Ph.D., CFA**

“Planning Capital Expenditure,” in *The Portable MBA in Financing and Accounting*, J. L. Livingstone and T. Grossman, editors, New York: Wiley, 3<sup>rd</sup> edition 2001, and 4<sup>th</sup> edition 2009.

“Financial Management of Risks,” in *The Portable MBA in Financing and Accounting*, J. L. Livingstone and T. Grossman, editors, New York: Wiley, 2<sup>nd</sup> edition 1997, 3<sup>rd</sup> edition 2001, and 4<sup>th</sup> edition 2009.

“Fraud-on-the-Market Theory: Is a Market Efficient?” (with Allen Michel and Israel Shaked) *American Bankruptcy Institute Journal*, May 2005.

“Valuation of Credit Guarantees” (with Allen J. Michel and Israel Shaked). *Journal of Forensic Economics* 17(1), pp. 17-37, 2005.

“A Better Understanding of why NPV Undervalues Managerial Flexibility,” (with Diane Lander) in *The Engineering Economist*, 2002, Volume 47, Number 4.

“Teaching the Strong-Form Efficient Market Hypothesis: A Classroom Experiment,” *Journal of Financial Education*, fall 2000.

*A Future for Real Estate Futures: Potential Applications of Derivatives in Real Estate Investment and Finance* (with Linda Stoller). Monograph. Boston: Real Estate Finance Association / Greater Boston Real Estate Board, May 2000.

“The Risk Budget: Using Your Human Resources,” (with John Marthinsen and John Edmunds) *Risk Management*, April 2000.

“Scenario Learning: A Powerful Tool for the 21<sup>st</sup> Century Planner,” (with Jeffrey Ellis and Dennis Stearns) *The Journal of Financial Planning*, April 2000.

“Protecting Future Product Liability Claimants in the Case of Bankruptcy,” (with Allen Michel and Israel Shaked) *American Bankruptcy Institute Journal*, January 2000.

“Measuring Risk with the Bodie Put When Stocks Exhibit Mean Reversion,” *The Journal of Risk*, Vol. 1, No. 3, 1999.

“Just-in-Time Mathematics: Integrating the Teaching of Finance Theory and Mathematics,” (with Gordon Prichett) *Primus*, Vol. IX, No. 2, June 1999.

*Atlanta Park Medical Center v. Hamlin Asset Management*. (with Natalie Taylor). Babson Case Collection, Harvard Business School Press, 1998.

**Exhibit-2**  
**Curriculum Vitae**  
**Steven P. Feinstein, Ph.D., CFA**

“Dealing with Delta,” *Derivatives Week*, VII, No. 44, November 2, 1998.

“Expected Return in Option Pricing: A Non-Mathematical Explanation,” *Derivatives Week*, VII, No. 35, August 31, 1998.

“When Hedges Fail: The Put Paradox and its Solution,” *Derivatives Quarterly*, Vol. 4, No. 2, Winter 1997.

*Finance and Accounting for Project Management*. New York: American Management Association, 1996.

“International Investing,” in *Irwin’s Directory of Emerging Market Brokerages*. New York: Irwin, 1996.

“The Hull and White Implied Volatility.” Boston University Working Paper #92-51, 1992.

“Immunizing Against Interest Rate Risk Using the Macaulay Duration Statistic: An Assessment,” (with Don Smith) in *Financial Systems and Risk Management*, the proceedings of the US-Japan Forum on Financial Strategy in the 1990s, sponsored by Osaka Foundation of International Exchange and Boston University, August 1991.

“Covered Call Options: A Proposal to Ease LDC Debt,” (with Peter Abken) *Federal Reserve Bank of Atlanta Economic Review*, March/April 1990. Reprinted in *Financial Derivatives: New Instruments and Their Uses*. Atlanta: Federal Reserve Bank.

“Forecasting Stock-Market Volatility Using Options on Index Futures,” *Federal Reserve Bank of Atlanta Economic Review*, May/June 1989. Reprinted in *Financial Derivatives: New Instruments and Their Uses*. Atlanta: Federal Reserve Bank.

“The Black-Scholes Formula is Nearly Linear in Sigma for At-the-Money Options; Therefore Implied Volatilities from At-the-Money Options are Virtually Unbiased.” Federal Reserve Bank of Atlanta Working Paper #88-9, December 1988.

“The Effect of the ‘Triple Witching Hour’ on Stock Market Volatility,” (with William Goetzmann) *Federal Reserve Bank of Atlanta Economic Review*, September/October 1988. Reprinted in *Financial Derivatives: New Instruments and Their Uses*. Atlanta: Federal Reserve Bank.

“Stock Market Volatility,” *Federal Reserve Bank of Atlanta Economic Review*, November/December 1987.



**Exhibit-2**  
**Curriculum Vitae**  
**Steven P. Feinstein, Ph.D., CFA**

Book review of *In Who's Interest: International Banking and American Foreign Policy*, by Benjamin J. Cohen, Yale University Press, in *Federal Reserve Bank Of Atlanta Economic Review*, Summer 1987.

**PRESENTATIONS**

“Determining the Defendant's Ability to Pay,” at Taxpayers Against Fraud Education Fund Conference, October 2010.

“The Computation of Damages in Securities Fraud Cases,” at the Grant and Eisenhower Institutional Investor Conference, December 2002.

“The Role of the Financial Expert in Complex Litigation,” at the Financial Management Association Conference, October 2000.

“Entrepreneurial Incentives and Resource Allocation Among Corporate Venturing Initiatives,” (with Joel Shulman and U. Srinivasa Rangan), Babson Entrepreneurship Research Conference, May 2000.

“Application of Real Options in Purchasing Strategies,” (with Juan Orozco), presented at the International Applied Business Research Conference, March 2000.

“A Future for Real Estate Futures,” (with Linda Stoller) at the Fairfield County chapter of the Real Estate Finance Association, November 1999, and at the Greater Boston Real Estate Board, November 2000.

“Atlanta Park Medical Center v. Hamlin Asset Management,” (with Natalie Taylor) at the 1999 convention of the North American Case Research Association.

“Using Future Worlds™ in the Financial Planning Process,” (with Jeffrey Ellis) at the Institute of Certified Financial Planners Masters Retreat, October 1999.

“Toward a Better Understanding of Real Options: A Weighted Average Discount Rate Approach,” at the 1999 Financial Management Association Conference, the 1999 European Financial Management Association Conference, and the 1999 Multinational Finance Society Conference.

“Just-In-Time Mathematics: Integrating the Teaching of Finance Theory and Mathematics,” (with Gordon Prichett) at the 1999 Financial Management Association Conference.

“Alternative Dow Investments for the Individual Investor: Diamonds, Synthetics, and the Real Thing,” at the 1999 Academy of Financial Services Convention.

**Exhibit-2**  
**Curriculum Vitae**  
**Steven P. Feinstein, Ph.D., CFA**

“Evidence of Yield Burning in Municipal Refundings” at Financial Management Association Convention, October 1997; Government Finance Officers Association, 1997; and Northeast Regional Convention of the National Association of State Treasurers, 1997.

“Teaching the Strong-Form Efficient Market Hypothesis” at Conference on Classroom Experiments in the Teaching of Economics at University of Virginia, September 1995.

“Efficient Consolidation of Implied Standard Deviations,” (with Shaikh Hamid) at Midwest Finance Association, March 1995.

“A Test of Intertemporal Averaging of Implied Volatilities,” (with Shaikh Hamid) at Eastern Finance Association, April 1995.

“Taking Advantage of Volatility: Non-linear Forecasting and Options Strategies,” (with Hassan Ahmed) at Chicago Board of Trade / Chicago Board Options Exchange Conference on Risk Management, February 1992.

“Immunizing Against Interest Rate Risk Using the Macaulay Duration Statistic: An Assessment,” (with Don Smith) at Japan-U.S. Conference on Financial Strategies in the 1990s, Osaka, Japan, August 1991.

“The Hull and White Implied Volatility,” at American Finance Association Convention, December 1990.

**REVIEWED ARTICLES AND BOOKS FOR:**

Harvard Business School Publishing  
Elsevier  
Journal of Economic Education  
Journal of Forensic Economics  
Journal of Risk  
Financial Review  
North American Case Research Association  
Financial Management  
Journal of Business  
Journal of Money, Credit and Banking  
Quarterly Review of Economics and Finance  
Blackwell  
Prentice Hall  
Southwestern Publishing

**Exhibit-2**  
**Curriculum Vitae**  
**Steven P. Feinstein, Ph.D., CFA**

**COURSES TAUGHT**

Capital Markets  
Mod B: Decision Making and Applications, Finance stream (MBA)  
Financial Reporting and Corporate Finance (MBA)  
Valuation (MBA)  
Investments (MBA and Executive)  
Equity Markets (MBA)  
Fixed Income Analysis (Undergraduate and MBA)  
Babson College Fund (Undergraduate and MBA)  
Options and Futures (Undergraduate)  
Advanced Derivative Securities (MBA)  
Corporate Finance (MBA and Executive)  
Financial Management (MBA)  
Risk Management (MBA)  
Corporate Financial Strategy (MBA)  
Integrated Management (Undergraduate)  
Cross-Functional Management (Integrated curriculum, Undergraduate)  
Continuous-Time Finance (Doctoral)  
Portfolio Theory / Management Information Systems (Executive)  
Quantitative Methods for Investment Management (Undergraduate and MBA)  
Introduction to Derivative Securities (Executive)  
International Finance (Executive)

**TEACHING AWARDS**

Reid Teaching Award, Washington University, Olin School of Business, 1993-94.

**SELECT LIST OF MEDIA CITATIONS**

“Is Insider Trading Part of the Fabric?” by Gretchen Morgenson, *The New York Times*, May 19, 2012.

“Bankers Rigging Municipal Contract Bids Admit to Cover-Up Lies,” by William Selway and Martin Z. Braun, *Bloomberg Markets Magazine*, November 24, 2010.

“Hospital Move Presents Buy-Out Groups with New Risks,” by Francesco Guerra, Christopher Bowe, and Rebecca Knight, *Financial Times*, July 15, 2006.

“Funds of Knowledge Add Value,” by Rebecca Knight, *Financial Times*, March 12, 2006.

**Exhibit-2**  
**Curriculum Vitae**  
**Steven P. Feinstein, Ph.D., CFA**

“City’s Financial Picture Worse Than Ever, Sanders Says,” by Matthew T. Hall, *San Diego Union-Tribune*, January 7, 2006.

“Downer: Stock Market Takes Another Dive,” by John Chesto, *Boston Herald*, July 23, 2002.

“Banks, Developers, Are Main Beneficiaries,” [editorial column] by Steven Feinstein, *The Boston Globe*, March 31, 2002, p. C4.

“Washington Investing: What Michael Saylor is Really Worth,” by Jerry Knight, *The Washington Post*, March 6, 2000.

“IBM Retools Pensions,” by Stephanie Armour, *USA Today*, May 4, 1999.

“L.A. MTA’s Law Firm Says Lissack Strategy Will be a Replay,” by Andrea Figler, *Bond Buyer*, September 30, 1998.

“Fed Key Player in Rescue of Floundering Hedge Fund,” by Andrew Fraser, Associated Press, September 25, 1998.

“Top Banks Plan Bailout for Fund,” by Andrew Fraser, Associated Press, September 24, 1998.

“Clarion Call to the Small Investor,” by Jo-Ann Johnston, *The Boston Globe*, March 4, 1998.

“L.A. Authority Study Shows Rampant Yield Burning Abuse,” by Michael Stanton, *The Bond Buyer*, April 22, 1997.

“Dispute Over Yield Burning Dominates GFOA Session,” by Michael Stanton, *The Bond Buyer*, January 29, 1997.

“Men Behaving Badly (Yield Burning),” *Grants Municipal Bond Observer*, January 24, 1997.

“Municipal Bond Dealers Face Scrutiny,” by Peter Truell, *The New York Times*, December 17, 1996.

“Iowa Market Takes Stock of Presidential Candidates,” by Stanley W. Angrist, *The Wall Street Journal*, August 28, 1995.

“Looking for Clues in Options Prices,” by Sylvia Nasar, *The New York Times*, July 18, 1991.

**Exhibit-2**  
**Curriculum Vitae**  
**Steven P. Feinstein, Ph.D., CFA**

“For Fed, A New Set of Tea Leaves,” by Sylvia Nasar, *The New York Times*, July 5, 1991.

**MEMBERSHIP IN PROFESSIONAL SOCIETIES**

American Finance Association  
Boston Security Analysts Society  
Chartered Financial Analyst Institute  
Financial Management Association  
Foundation for Advancement of Research in Financial Economics (founding member)  
National Association of Forensic Economics  
North American Case Research Association

**Exhibit-3**  
**Steven P. Feinstein, Ph.D., CFA**  
**Testimony in the Last Four Years**

Alaska Electrical Pension Fund, *et al.*, vs. Pharmacia Corporation, *et al.*  
United States District Court  
District of New Jersey  
Civil Action No. 3:09-1519 (AET)  
Deposition Testimony  
October 2011

State of New Jersey, Department of Treasury, Division of Investment on behalf of Common Pension Fund A, vs. Merrill Lynch & Co., and Bank of America Corporation  
Docket No. L-3855-09  
Superior Court of New Jersey  
Law Division  
Hudson County  
Deposition Testimony  
June 2012

Jan Buettgen, *et al.* vs. Katherine J. Harless, *et al.*  
United States District Court  
Northern District of Texas  
Dallas Division  
Civil Action No. 3:09-cv-00791-K  
Deposition Testimony  
December 2010 and August 2012

DJ Mortgage, LLC, and John F. Smithgall vs. Synovus Bank d/b/a Bank of North Georgia  
Superior Court for the County of Fulton  
State of Georgia  
Civil Action no. 11-cv-205000  
Deposition Testimony  
September 2012

Carlos Munoz, *et al.* vs. China Expert Technology, Inc.; PKF New York, Certified Public Accountants, A Professional Corporation; PKF Hong Kong, Certified Public Accountants; And BDO McCade Lo Limited Certified Public Accountants  
United States District Court  
Southern District of New York  
Civil Action no. 07-cv-10531 (AKH)  
Deposition Testimony  
March 2013

**Exhibit-3**  
**Steven P. Feinstein, Ph.D., CFA**  
**Testimony in the Last Four Years**

In Re American International Group, Inc. 2008 Securities Litigation  
United States District Court  
Southern District of New York  
Civil Action no. 08-CV-4772-LTS  
Deposition Testimony  
July 2011 and February 2012  
Testimony at Evidentiary Hearing  
April 2013 and May 2013

Christopher Cohan, *et al.*, vs. KPMG LLP  
Court of Fulton County  
State of Georgia  
Civil Action no. 12EV0114325G  
June 2013

Landmen Partners Inc. *et al.* vs. The Blackstone Group L.P., *et al.*  
United States District Court  
Southern District of New York  
Civil Action no. 08-cv-03601-HB  
Deposition Testimony  
May 2013 and August 2013

Louis Pagnotti, Inc. *et al.*, vs. Deloitte & Touche, LLP,  
In the Court of Common Pleas of Luzerne County  
Case No. 557 C of 2003  
Deposition Testimony  
October 2013

In Re IndyMac Mortgage-Backed Securities Litigation  
Civil Action No. 1:09-cv-04583-LAK  
United States District Court  
Southern District of New York  
Deposition Testimony  
January 2011 and October 2013

Anwar, *et al.*, v. Fairfield Greenwich Limited, *et al.*  
Civil Action No. 09-cv-0118 (VM)  
United States District Court  
Southern District of New York  
Deposition Testimony  
February 2014

**Exhibit-3**  
**Steven P. Feinstein, Ph.D., CFA**  
**Testimony in the Last Four Years**

In Re Symbol Technologies, Inc. Securities Litigation  
Civil Action No. 05-cv-3923-DRH  
United States District Court  
Eastern District of New York  
Deposition Testimony  
June 2014

In Re Groupon, Inc. Securities Litigation  
Civil Action No. 12-cv-2450  
United States District Court  
Northern District of Illinois  
Deposition Testimony  
February 2014  
Testimony at Evidentiary Hearing  
September 2014

Mary K. Jones, *et al.*, vs. Pfizer Inc., *et al.*  
United States District Court  
Southern District of New York  
Civil Action no. 10-cv-03864-AKH  
Deposition Testimony  
January 2012 and October 2014

In Re Questcor Pharmaceuticals, Inc. Securities Litigation  
Civil Action No. 12-cv-01623-DMG  
United States District Court  
Central District of California  
Deposition Testimony  
October 2014

In Re Longtop Financial Technologies, Ltd. Securities Litigation  
Civil Action No. 11-cv-3658-SAS  
United States District Court  
Southern District of New York  
Trial Testimony  
November 2014

In Re Delcath Systems, Inc. Securities Litigation  
Civil Action No. 13 Civ. 3116 (LGS)  
United States District Court  
Southern District of New York  
Deposition Testimony  
December 2014



**Exhibit-3**  
**Steven P. Feinstein, Ph.D., CFA**  
**Testimony in the Last Four Years**

In Re Prudential Financial, Inc. Securities Litigation  
Civil Action No. 2:12-cv-05275-SDW-MCA  
United States District Court  
District of New Jersey  
Deposition Testimony  
January 2015

In Re Walter Energy, Inc. Securities Litigation  
Civil Action No. 2:12-cv-00281-VEH  
United States District Court  
Northern District of Alabama  
Deposition Testimony  
January 2014 and March 2015

In Re CVS Caremark Corporation Securities Litigation  
Civil Action No. 1:09-cv-00554-S-DLM  
United States District Court  
District of Rhode Island  
Deposition Testimony  
March 2015

In Re Las Vegas Sands Corp. Securities Litigation  
Civil Action No. 2:10-cv-00765-KJD-LRL  
United States District Court  
District of Nevada  
Deposition Testimony  
March 2015

In Re JPMorgan Chase & Co. Securities Litigation  
Civil Action No. 1:12-cv-03852-GBD  
United States District Court  
Southern District of New York  
Deposition Testimony  
March 2015

**Exhibit-3**  
**Steven P. Feinstein, Ph.D., CFA**  
**Testimony in the Last Four Years**

In Re Baxter International Inc., *et al.* Securities Litigation  
Civil Action No. 1:10-cv-06016  
United States District Court  
Northern District of Illinois Eastern Division  
Deposition Testimony  
November 2014 and May 2015

In Re Goldman, Sachs & Co., *et al.* Securities Litigation  
Civil Action No. 10 Civ. 4429 (MGC)  
United States District Court  
Southern District of New York  
Deposition Testimony  
June 2015

In Re United States of America, *et al.* v. Frank Kurnik and Pharmerica Corp., *et al.*  
Case No. 3:11-cv-1464-JFA  
United States District Court  
District South Carolina  
Deposition Testimony  
June 2015

In Re HCA Holdings, Inc., Securities Litigation  
Civil Action No. 3:11-cv-01033  
United States District Court  
Middle District of Tennessee  
Nashville Division  
Deposition Testimony  
June 2015

In Re Claude A. Reese, *et al.* v. Robert A. Malone, *et al.*  
Civil Action No. C08-1008 MJP  
United States District Court  
Western District of Washington at Seattle  
Deposition Testimony  
June 2015

In Re Bridgepoint Education, Inc. Securities Litigation  
Civil Action No. 3:12-cv-01737-JM-JLB  
United States District Court  
Southern District of California  
Deposition Testimony  
July 2015

**Exhibit-3**  
**Steven P. Feinstein, Ph.D., CFA**  
**Testimony in the Last Four Years**

In Re Dana Corporation, *et al.* Securities Litigation  
Civil Action No. 3:05-cv-07393-JGC  
United States District Court  
Northern District of Ohio  
Deposition Testimony  
June 2015 and August 2015

**Exhibit-4****Urban Outfitters, Inc. Stock Prices, Volume and Returns**

7 September 2012 through 10 September 2013

<b>Date</b>	<b>URBN Closing Price</b>	<b>URBN Closing Bid</b>	<b>URBN Closing Ask</b>	<b>URBN Trading Volume</b>	<b>URBN Logarithmic Return</b>
9/7/2012	\$38.73				
9/10/2012	\$39.48	\$39.49	\$39.50	4,667,043	1.92%
9/11/2012	\$38.90	\$38.88	\$38.89	5,580,141	-1.48%
9/12/2012	\$39.24	\$39.23	\$39.24	2,261,091	0.87%
9/13/2012	\$39.50	\$39.49	\$39.50	2,766,046	0.66%
9/14/2012	\$39.71	\$39.70	\$39.71	2,785,039	0.53%
9/17/2012	\$39.82	\$39.84	\$39.85	1,959,355	0.28%
9/18/2012	\$39.35	\$39.34	\$39.35	2,284,052	-1.19%
9/19/2012	\$39.09	\$39.07	\$39.08	3,976,543	-0.66%
9/20/2012	\$38.87	\$38.86	\$38.87	3,146,226	-0.56%
9/21/2012	\$38.75	\$38.76	\$38.77	2,418,906	-0.31%
9/24/2012	\$38.43	\$38.41	\$38.42	3,961,596	-0.83%
9/25/2012	\$37.94	\$37.93	\$37.94	2,162,708	-1.28%
9/26/2012	\$37.51	\$37.50	\$37.51	2,875,895	-1.14%
9/27/2012	\$37.46	\$37.45	\$37.46	2,887,516	-0.15%
9/28/2012	\$37.56	\$37.56	\$37.57	2,693,167	0.28%
10/1/2012	\$37.33	\$37.33	\$37.34	1,455,597	-0.61%
10/2/2012	\$36.86	\$36.84	\$36.85	2,802,290	-1.27%
10/3/2012	\$37.00	\$36.99	\$37.00	2,542,895	0.38%
10/4/2012	\$37.57	\$37.58	\$37.59	1,573,758	1.53%
10/5/2012	\$37.73	\$37.72	\$37.73	1,464,793	0.42%
10/8/2012	\$37.30	\$37.30	\$37.31	1,440,177	-1.15%
10/9/2012	\$36.70	\$36.69	\$36.70	1,365,550	-1.62%
10/10/2012	\$36.85	\$36.86	\$36.87	1,470,913	0.41%
10/11/2012	\$36.97	\$36.94	\$36.96	1,900,716	0.33%
10/12/2012	\$36.61	\$36.61	\$36.62	1,013,132	-0.98%
10/15/2012	\$37.48	\$37.48	\$37.49	1,894,773	2.35%
10/16/2012	\$38.24	\$38.22	\$38.23	1,714,301	2.01%
10/17/2012	\$37.99	\$37.99	\$38.00	1,616,523	-0.66%
10/18/2012	\$37.91	\$37.91	\$37.92	1,107,906	-0.21%
10/19/2012	\$37.09	\$37.06	\$37.07	1,217,213	-2.18%
10/22/2012	\$36.39	\$36.37	\$36.39	1,955,712	-1.91%
10/23/2012	\$35.94	\$35.94	\$35.95	2,103,795	-1.24%
10/24/2012	\$36.06	\$36.04	\$36.06	2,036,116	0.33%
10/25/2012	\$35.80	\$35.81	\$35.82	1,785,645	-0.72%
10/26/2012	\$35.74	\$35.75	\$35.76	1,574,619	-0.17%
10/31/2012	\$35.75	\$35.75	\$35.76	2,012,382	0.03%

**Exhibit-4****Urban Outfitters, Inc. Stock Prices, Volume and Returns**

7 September 2012 through 10 September 2013

<b>Date</b>	<b>URBN Closing Price</b>	<b>URBN Closing Bid</b>	<b>URBN Closing Ask</b>	<b>URBN Trading Volume</b>	<b>URBN Logarithmic Return</b>
11/1/2012	\$36.69	\$36.69	\$36.70	2,448,831	2.60%
11/2/2012	\$36.56	\$36.56	\$36.57	1,466,269	-0.35%
11/5/2012	\$37.08	\$37.08	\$37.10	1,070,251	1.41%
11/6/2012	\$36.95	\$36.93	\$36.95	1,357,377	-0.35%
11/7/2012	\$36.21	\$36.21	\$36.22	1,142,170	-2.02%
11/8/2012	\$35.25	\$35.25	\$35.26	1,481,474	-2.69%
11/9/2012	\$35.31	\$35.30	\$35.31	1,815,511	0.17%
11/12/2012	\$35.38	\$35.37	\$35.38	853,382	0.20%
11/13/2012	\$35.95	\$35.95	\$35.97	2,017,585	1.60%
11/14/2012	\$36.21	\$36.19	\$36.22	2,995,354	0.72%
11/15/2012	\$34.82	\$34.82	\$34.83	2,940,597	-3.91%
11/16/2012	\$35.05	\$35.03	\$35.05	2,139,532	0.66%
11/19/2012	\$37.07	\$37.07	\$37.08	5,272,669	5.60%
11/20/2012	\$36.81	\$36.82	\$36.83	6,971,359	-0.70%
11/21/2012	\$37.35	\$37.34	\$37.35	1,850,598	1.46%
11/23/2012	\$37.86	\$37.85	\$37.86	716,893	1.36%
11/26/2012	\$38.34	\$38.34	\$38.35	2,686,744	1.26%
11/27/2012	\$37.65	\$37.64	\$37.65	2,190,124	-1.82%
11/28/2012	\$38.16	\$38.15	\$38.16	2,654,181	1.35%
11/29/2012	\$37.82	\$37.81	\$37.82	1,306,656	-0.89%
11/30/2012	\$37.70	\$37.69	\$37.70	1,211,018	-0.32%
12/3/2012	\$37.37	\$37.38	\$37.39	1,469,269	-0.88%
12/4/2012	\$36.54	\$36.50	\$36.51	3,179,718	-2.25%
12/5/2012	\$36.35	\$36.34	\$36.35	2,470,650	-0.52%
12/6/2012	\$36.97	\$36.96	\$36.97	1,868,120	1.69%
12/7/2012	\$37.37	\$37.35	\$37.36	1,553,496	1.08%
12/10/2012	\$37.00	\$37.00	\$37.01	2,453,340	-1.00%
12/11/2012	\$38.65	\$38.65	\$38.66	9,217,012	4.36%
12/12/2012	\$38.18	\$38.17	\$38.18	3,072,727	-1.22%
12/13/2012	\$38.23	\$38.21	\$38.23	3,909,817	0.13%
12/14/2012	\$38.60	\$38.60	\$38.61	2,401,710	0.96%
12/17/2012	\$39.58	\$39.57	\$39.58	2,329,912	2.51%
12/18/2012	\$39.69	\$39.68	\$39.69	2,172,424	0.28%
12/19/2012	\$40.18	\$40.17	\$40.18	2,353,147	1.23%
12/20/2012	\$40.42	\$40.43	\$40.44	2,194,490	0.60%
12/21/2012	\$39.43	\$39.42	\$39.43	2,518,041	-2.49%
12/24/2012	\$39.30	\$39.29	\$39.30	552,747	-0.32%

**Exhibit-4****Urban Outfitters, Inc. Stock Prices, Volume and Returns**

7 September 2012 through 10 September 2013

<b>Date</b>	<b>URBN Closing Price</b>	<b>URBN Closing Bid</b>	<b>URBN Closing Ask</b>	<b>URBN Trading Volume</b>	<b>URBN Logarithmic Return</b>
12/26/2012	\$38.24	\$38.21	\$38.22	1,929,089	-2.73%
12/27/2012	\$38.61	\$38.59	\$38.61	1,599,132	0.96%
12/28/2012	\$38.22	\$38.22	\$38.23	1,548,543	-1.02%
12/31/2012	\$39.36	\$39.37	\$39.39	1,421,905	2.94%
1/2/2013	\$40.98	\$40.98	\$41.00	4,677,471	4.03%
1/3/2013	\$40.74	\$40.73	\$40.74	2,150,891	-0.59%
1/4/2013	\$41.39	\$41.39	\$41.40	2,294,722	1.58%
1/7/2013	\$40.84	\$40.83	\$40.84	1,654,633	-1.34%
1/8/2013	\$41.18	\$41.18	\$41.19	2,285,440	0.82%
1/9/2013	\$40.75	\$40.74	\$40.75	3,046,543	-1.04%
1/10/2013	\$42.64	\$42.64	\$42.65	6,124,122	4.53%
1/11/2013	\$42.75	\$42.74	\$42.75	4,455,736	0.26%
1/14/2013	\$42.25	\$42.24	\$42.25	3,649,830	-1.18%
1/15/2013	\$42.10	\$42.09	\$42.10	4,140,919	-0.36%
1/16/2013	\$41.90	\$41.88	\$41.89	3,682,259	-0.48%
1/17/2013	\$43.18	\$43.15	\$43.16	3,557,008	3.01%
1/18/2013	\$43.39	\$43.39	\$43.40	2,116,248	0.49%
1/22/2013	\$42.82	\$42.81	\$42.82	2,385,449	-1.32%
1/23/2013	\$42.50	\$42.49	\$42.50	1,435,096	-0.75%
1/24/2013	\$42.72	\$42.71	\$42.72	1,619,571	0.52%
1/25/2013	\$43.62	\$43.64	\$43.65	2,174,045	2.08%
1/28/2013	\$43.13	\$43.13	\$43.14	1,701,044	-1.13%
1/29/2013	\$42.93	\$42.92	\$42.93	1,494,410	-0.46%
1/30/2013	\$42.80	\$42.80	\$42.81	1,535,394	-0.30%
1/31/2013	\$42.80	\$42.79	\$42.81	2,768,843	0.00%
2/1/2013	\$43.35	\$43.34	\$43.35	2,249,871	1.28%
2/4/2013	\$42.57	\$42.56	\$42.57	2,030,148	-1.82%
2/5/2013	\$42.72	\$42.72	\$42.74	2,484,345	0.35%
2/6/2013	\$43.15	\$43.14	\$43.15	1,800,286	1.00%
2/7/2013	\$43.17	\$43.14	\$43.15	4,302,289	0.05%
2/8/2013	\$42.58	\$42.56	\$42.58	2,007,038	-1.38%
2/11/2013	\$42.37	\$42.36	\$42.37	1,520,189	-0.49%
2/12/2013	\$42.25	\$42.24	\$42.25	1,738,833	-0.28%
2/13/2013	\$41.53	\$41.52	\$41.53	2,271,047	-1.72%
2/14/2013	\$41.43	\$41.41	\$41.42	1,857,841	-0.24%
2/15/2013	\$41.29	\$41.29	\$41.30	2,870,303	-0.34%
2/19/2013	\$41.69	\$41.68	\$41.70	3,471,013	0.96%

**Exhibit-4****Urban Outfitters, Inc. Stock Prices, Volume and Returns**

7 September 2012 through 10 September 2013

<b>Date</b>	<b>URBN Closing Price</b>	<b>URBN Closing Bid</b>	<b>URBN Closing Ask</b>	<b>URBN Trading Volume</b>	<b>URBN Logarithmic Return</b>
2/20/2013	\$41.26	\$41.24	\$41.25	2,786,842	-1.04%
2/21/2013	\$40.26	\$40.26	\$40.26	3,815,930	-2.45%
2/22/2013	\$39.54	\$39.53	\$39.54	3,193,294	-1.80%
2/25/2013	\$39.06	\$39.05	\$39.06	2,108,879	-1.22%
2/26/2013	\$39.56	\$39.54	\$39.56	2,526,012	1.27%
2/27/2013	\$40.18	\$40.16	\$40.18	1,441,965	1.56%
2/28/2013	\$40.52	\$40.51	\$40.53	1,904,136	0.84%
3/1/2013	\$40.81	\$40.80	\$40.82	1,431,890	0.71%
3/4/2013	\$41.01	\$41.00	\$41.01	1,571,511	0.49%
3/5/2013	\$41.71	\$41.70	\$41.71	1,348,058	1.69%
3/6/2013	\$40.74	\$40.73	\$40.74	1,405,622	-2.35%
3/7/2013	\$40.49	\$40.48	\$40.49	2,320,862	-0.62%
3/8/2013	\$41.31	\$41.31	\$41.32	1,638,897	2.00%
3/11/2013	\$41.50	\$41.50	\$41.51	2,819,971	0.46%
3/12/2013	\$41.81	\$41.81	\$41.82	3,662,941	0.74%
3/13/2013	\$41.51	\$41.49	\$41.50	2,022,797	-0.72%
3/14/2013	\$41.17	\$41.15	\$41.16	1,825,994	-0.82%
3/15/2013	\$40.65	\$40.63	\$40.64	1,686,946	-1.27%
3/18/2013	\$40.08	\$40.07	\$40.08	1,682,656	-1.41%
3/19/2013	\$39.40	\$39.39	\$39.40	2,190,354	-1.71%
3/20/2013	\$40.32	\$40.32	\$40.33	2,844,670	2.31%
3/21/2013	\$39.52	\$39.51	\$39.52	2,077,445	-2.00%
3/22/2013	\$38.75	\$38.74	\$38.75	2,771,920	-1.97%
3/25/2013	\$39.36	\$39.34	\$39.35	3,900,848	1.56%
3/26/2013	\$39.41	\$39.41	\$39.43	1,827,716	0.13%
3/27/2013	\$39.14	\$39.14	\$39.15	1,293,200	-0.69%
3/28/2013	\$38.74	\$38.73	\$38.74	2,937,558	-1.03%
4/1/2013	\$38.41	\$38.39	\$38.41	2,088,725	-0.86%
4/2/2013	\$39.87	\$39.86	\$39.87	5,820,568	3.73%
4/3/2013	\$39.06	\$39.06	\$39.07	2,204,534	-2.05%
4/4/2013	\$39.52	\$39.51	\$39.52	1,954,015	1.17%
4/5/2013	\$39.97	\$39.96	\$39.98	1,712,282	1.13%
4/8/2013	\$40.68	\$40.68	\$40.69	1,648,146	1.76%
4/9/2013	\$40.47	\$40.47	\$40.49	1,302,377	-0.52%
4/10/2013	\$40.81	\$40.80	\$40.81	1,160,416	0.84%
4/11/2013	\$41.55	\$41.55	\$41.56	1,981,749	1.80%
4/12/2013	\$41.38	\$41.37	\$41.38	658,358	-0.41%

**Exhibit-4****Urban Outfitters, Inc. Stock Prices, Volume and Returns**

7 September 2012 through 10 September 2013

<b>Date</b>	<b>URBN Closing Price</b>	<b>URBN Closing Bid</b>	<b>URBN Closing Ask</b>	<b>URBN Trading Volume</b>	<b>URBN Logarithmic Return</b>
4/15/2013	\$40.06	\$40.06	\$40.07	1,337,645	-3.24%
4/16/2013	\$40.54	\$40.52	\$40.53	1,669,009	1.19%
4/17/2013	\$39.61	\$39.60	\$39.61	1,666,941	-2.32%
4/18/2013	\$39.26	\$39.25	\$39.26	1,540,726	-0.90%
4/19/2013	\$39.46	\$39.45	\$39.46	1,149,577	0.51%
4/22/2013	\$39.50	\$39.49	\$39.50	1,238,145	0.11%
4/23/2013	\$39.60	\$39.59	\$39.60	1,980,658	0.25%
4/24/2013	\$39.73	\$39.73	\$39.74	867,982	0.33%
4/25/2013	\$41.04	\$41.04	\$41.05	1,865,040	3.24%
4/26/2013	\$41.16	\$41.16	\$41.17	1,421,471	0.29%
4/29/2013	\$41.35	\$41.34	\$41.35	1,226,781	0.46%
4/30/2013	\$41.44	\$41.42	\$41.44	1,640,246	0.22%
5/1/2013	\$40.90	\$40.88	\$40.90	792,415	-1.31%
5/2/2013	\$40.97	\$40.96	\$40.97	1,066,793	0.17%
5/3/2013	\$41.54	\$41.54	\$41.55	1,108,175	1.38%
5/6/2013	\$41.65	\$41.67	\$41.68	867,167	0.26%
5/7/2013	\$43.66	\$43.66	\$43.67	2,850,831	4.71%
5/8/2013	\$43.39	\$43.38	\$43.39	1,082,666	-0.62%
5/9/2013	\$43.39	\$43.40	\$43.41	1,464,551	0.00%
5/10/2013	\$43.83	\$43.82	\$43.83	875,279	1.01%
5/13/2013	\$43.75	\$43.75	\$43.76	1,383,138	-0.18%
5/14/2013	\$44.11	\$44.11	\$44.12	1,651,657	0.82%
5/15/2013	\$44.43	\$44.43	\$44.44	1,879,144	0.72%
5/16/2013	\$43.64	\$43.66	\$43.68	2,539,269	-1.79%
5/17/2013	\$44.54	\$44.55	\$44.56	2,297,765	2.04%
5/20/2013	\$44.49	\$44.48	\$44.49	2,781,582	-0.11%
5/21/2013	\$43.27	\$43.24	\$43.26	5,821,905	-2.78%
5/22/2013	\$42.81	\$42.79	\$42.81	2,344,156	-1.07%
5/23/2013	\$42.30	\$42.29	\$42.30	1,999,373	-1.20%
5/24/2013	\$41.84	\$41.82	\$41.83	1,693,750	-1.09%
5/28/2013	\$41.10	\$41.09	\$41.10	1,946,313	-1.78%
5/29/2013	\$40.91	\$40.91	\$40.92	1,906,671	-0.46%
5/30/2013	\$41.87	\$41.86	\$41.87	2,013,381	2.32%
5/31/2013	\$41.93	\$41.94	\$41.95	1,831,201	0.14%
6/3/2013	\$41.86	\$41.86	\$41.87	1,738,379	-0.17%
6/4/2013	\$42.31	\$42.31	\$42.33	1,912,369	1.07%
6/5/2013	\$41.57	\$41.56	\$41.57	1,516,779	-1.76%



**Exhibit-4****Urban Outfitters, Inc. Stock Prices, Volume and Returns**

7 September 2012 through 10 September 2013

<b>Date</b>	<b>URBN Closing Price</b>	<b>URBN Closing Bid</b>	<b>URBN Closing Ask</b>	<b>URBN Trading Volume</b>	<b>URBN Logarithmic Return</b>
6/6/2013	\$41.77	\$41.76	\$41.77	1,903,388	0.48%
6/7/2013	\$42.58	\$42.58	\$42.59	1,026,977	1.92%
6/10/2013	\$42.27	\$42.26	\$42.27	1,158,812	-0.73%
6/11/2013	\$42.04	\$42.05	\$42.06	1,654,115	-0.55%
6/12/2013	\$41.18	\$41.18	\$41.19	1,937,539	-2.07%
6/13/2013	\$41.41	\$41.38	\$41.39	992,680	0.56%
6/14/2013	\$40.88	\$40.86	\$40.87	1,195,534	-1.29%
6/17/2013	\$40.79	\$40.77	\$40.78	1,415,177	-0.22%
6/18/2013	\$40.65	\$40.64	\$40.65	1,047,891	-0.36%
6/19/2013	\$39.90	\$39.89	\$39.90	2,077,538	-1.85%
6/20/2013	\$39.16	\$39.13	\$39.14	1,950,583	-1.87%
6/21/2013	\$39.54	\$39.55	\$39.56	2,718,233	0.95%
6/24/2013	\$38.74	\$38.73	\$38.74	3,202,061	-2.03%
6/25/2013	\$39.04	\$39.04	\$39.05	2,474,946	0.77%
6/26/2013	\$39.52	\$39.52	\$39.53	1,462,591	1.22%
6/27/2013	\$40.34	\$40.34	\$40.35	1,445,278	2.05%
6/28/2013	\$40.22	\$40.22	\$40.23	2,115,633	-0.30%
7/1/2013	\$40.41	\$40.42	\$40.43	1,453,039	0.47%
7/2/2013	\$40.66	\$40.64	\$40.66	1,061,995	0.62%
7/3/2013	\$40.37	\$40.36	\$40.39	391,443	-0.72%
7/5/2013	\$41.04	\$41.02	\$41.03	861,321	1.65%
7/8/2013	\$41.77	\$41.75	\$41.77	1,477,276	1.76%
7/9/2013	\$41.95	\$41.96	\$41.97	1,446,887	0.43%
7/10/2013	\$42.34	\$42.33	\$42.34	1,160,898	0.93%
7/11/2013	\$43.17	\$43.17	\$43.18	1,861,612	1.94%
7/12/2013	\$42.98	\$42.96	\$42.97	927,568	-0.44%
7/15/2013	\$43.09	\$43.08	\$43.09	1,266,245	0.26%
7/16/2013	\$42.63	\$42.62	\$42.63	859,727	-1.07%
7/17/2013	\$42.50	\$42.49	\$42.50	911,497	-0.31%
7/18/2013	\$42.72	\$42.72	\$42.73	1,068,761	0.52%
7/19/2013	\$42.85	\$42.85	\$42.86	1,050,549	0.30%
7/22/2013	\$42.76	\$42.75	\$42.76	805,302	-0.21%
7/23/2013	\$42.34	\$42.33	\$42.34	867,373	-0.99%
7/24/2013	\$42.04	\$42.04	\$42.05	1,126,395	-0.71%
7/25/2013	\$42.29	\$42.28	\$42.29	545,435	0.59%
7/26/2013	\$41.95	\$41.95	\$41.97	1,182,729	-0.81%
7/29/2013	\$41.98	\$41.98	\$42.00	1,019,303	0.07%

**Exhibit-4****Urban Outfitters, Inc. Stock Prices, Volume and Returns**

7 September 2012 through 10 September 2013

<b>Date</b>	<b>URBN Closing Price</b>	<b>URBN Closing Bid</b>	<b>URBN Closing Ask</b>	<b>URBN Trading Volume</b>	<b>URBN Logarithmic Return</b>
7/30/2013	\$42.50	\$42.50	\$42.51	1,214,329	1.23%
7/31/2013	\$42.56	\$42.55	\$42.58	958,602	0.14%
8/1/2013	\$43.79	\$43.78	\$43.79	1,421,303	2.85%
8/2/2013	\$43.83	\$43.82	\$43.83	642,776	0.09%
8/5/2013	\$43.67	\$43.66	\$43.67	614,870	-0.37%
8/6/2013	\$42.47	\$42.47	\$42.48	2,536,390	-2.79%
8/7/2013	\$41.27	\$41.25	\$41.27	1,934,898	-2.87%
8/8/2013	\$41.64	\$41.63	\$41.64	2,306,027	0.89%
8/9/2013	\$41.46	\$41.44	\$41.45	1,316,891	-0.43%
8/12/2013	\$42.10	\$42.09	\$42.10	1,760,117	1.53%
8/13/2013	\$41.77	\$41.77	\$41.78	1,865,882	-0.79%
8/14/2013	\$40.77	\$40.77	\$40.78	1,768,760	-2.42%
8/15/2013	\$40.28	\$40.26	\$40.28	2,544,223	-1.21%
8/16/2013	\$39.74	\$39.73	\$39.74	2,475,350	-1.35%
8/19/2013	\$39.92	\$39.91	\$39.92	4,184,648	0.45%
8/20/2013	\$43.19	\$43.18	\$43.22	8,328,776	7.87%
8/21/2013	\$42.30	\$42.29	\$42.30	3,541,091	-2.08%
8/22/2013	\$42.70	\$42.71	\$42.71	1,866,618	0.94%
8/23/2013	\$42.80	\$42.80	\$42.81	1,318,908	0.23%
8/26/2013	\$42.06	\$42.06	\$42.07	1,056,909	-1.74%
8/27/2013	\$41.45	\$41.45	\$41.46	1,667,194	-1.46%
8/28/2013	\$41.95	\$41.96	\$41.97	1,978,243	1.20%
8/29/2013	\$42.49	\$42.49	\$42.50	1,811,511	1.28%
8/30/2013	\$41.93	\$41.93	\$41.96	1,088,249	-1.33%
9/3/2013	\$41.76	\$41.74	\$41.76	1,917,754	-0.41%
9/4/2013	\$41.82	\$41.80	\$41.82	1,613,366	0.14%
9/5/2013	\$41.96	\$41.97	\$41.98	1,782,235	0.33%
9/6/2013	\$42.56	\$42.57	\$42.58	1,859,826	1.42%
9/9/2013	\$42.71	\$42.69	\$42.70	2,031,076	0.35%
9/10/2013	\$38.35	\$38.35	\$38.36	14,284,437	-10.77%

**Source:** CRSP.

**Exhibit-5****Market Index and Peer Index Returns**

10 September 2012 through 10 September 2013

<b>Date</b>	<b>Market Index Logarithmic Return</b>	<b>Peer Index Logarithmic Return</b>
9/10/2012	-0.57%	-0.48%
9/11/2012	0.34%	-0.83%
9/12/2012	0.27%	0.69%
9/13/2012	1.52%	1.66%
9/14/2012	0.62%	-0.04%
9/17/2012	-0.45%	-0.23%
9/18/2012	-0.19%	-1.30%
9/19/2012	0.14%	0.13%
9/20/2012	-0.19%	0.98%
9/21/2012	0.04%	-1.01%
9/24/2012	-0.31%	-1.10%
9/25/2012	-1.10%	-1.17%
9/26/2012	-0.56%	0.38%
9/27/2012	1.00%	0.61%
9/28/2012	-0.45%	-0.27%
10/1/2012	0.28%	1.22%
10/2/2012	0.12%	-0.40%
10/3/2012	0.27%	0.90%
10/4/2012	0.77%	0.10%
10/5/2012	-0.01%	0.30%
10/8/2012	-0.36%	-0.24%
10/9/2012	-1.00%	-1.76%
10/10/2012	-0.57%	0.06%
10/11/2012	0.17%	-1.53%
10/12/2012	-0.35%	-1.43%
10/15/2012	0.74%	0.74%
10/16/2012	1.00%	0.84%
10/17/2012	0.51%	-0.80%
10/18/2012	-0.27%	0.71%
10/19/2012	-1.60%	-1.51%
10/22/2012	0.01%	-1.49%
10/23/2012	-1.31%	0.45%
10/24/2012	-0.27%	-0.72%
10/25/2012	0.33%	-0.70%
10/26/2012	-0.14%	-0.64%
10/31/2012	0.25%	1.17%
11/1/2012	1.13%	-0.34%

**Exhibit-5****Market Index and Peer Index Returns**

10 September 2012 through 10 September 2013

<b>Date</b>	<b>Market Index Logarithmic Return</b>	<b>Peer Index Logarithmic Return</b>
11/2/2012	-0.98%	-1.03%
11/5/2012	0.23%	1.13%
11/6/2012	0.79%	-0.06%
11/7/2012	-2.18%	-1.78%
11/8/2012	-1.19%	-2.07%
11/9/2012	0.10%	-0.05%
11/12/2012	-0.02%	0.11%
11/13/2012	-0.42%	1.92%
11/14/2012	-1.51%	0.47%
11/15/2012	-0.30%	-0.96%
11/16/2012	0.64%	0.61%
11/19/2012	1.93%	3.69%
11/20/2012	0.11%	-0.27%
11/21/2012	0.32%	0.19%
11/23/2012	1.28%	1.00%
11/26/2012	-0.17%	0.23%
11/27/2012	-0.45%	-0.73%
11/28/2012	0.77%	2.15%
11/29/2012	0.54%	-0.51%
11/30/2012	0.03%	0.33%
12/3/2012	-0.44%	-0.63%
12/4/2012	-0.13%	-3.22%
12/5/2012	0.17%	0.45%
12/6/2012	0.29%	0.28%
12/7/2012	0.26%	-0.03%
12/10/2012	0.15%	-1.07%
12/11/2012	0.63%	-0.01%
12/12/2012	0.02%	-0.69%
12/13/2012	-0.59%	-0.20%
12/14/2012	-0.33%	0.05%
12/17/2012	1.04%	2.08%
12/18/2012	1.14%	0.21%
12/19/2012	-0.48%	-0.66%
12/20/2012	0.50%	-1.03%
12/21/2012	-0.87%	-1.10%
12/24/2012	-0.22%	0.22%
12/26/2012	-0.52%	-2.78%

**Exhibit-5****Market Index and Peer Index Returns**

10 September 2012 through 10 September 2013

<b>Date</b>	<b>Market Index Logarithmic Return</b>	<b>Peer Index Logarithmic Return</b>
12/27/2012	-0.08%	1.02%
12/28/2012	-0.96%	-0.22%
12/31/2012	1.66%	2.16%
1/2/2013	2.52%	1.09%
1/3/2013	-0.18%	1.99%
1/4/2013	0.58%	-0.16%
1/7/2013	-0.25%	-1.04%
1/8/2013	-0.22%	-0.63%
1/9/2013	0.34%	0.05%
1/10/2013	0.68%	0.07%
1/11/2013	0.04%	0.22%
1/14/2013	-0.04%	0.18%
1/15/2013	0.20%	2.05%
1/16/2013	-0.07%	-0.01%
1/17/2013	0.59%	0.77%
1/18/2013	0.30%	0.11%
1/22/2013	0.53%	0.16%
1/23/2013	0.04%	-0.45%
1/24/2013	0.07%	1.61%
1/25/2013	0.54%	0.75%
1/28/2013	-0.12%	-0.90%
1/29/2013	0.36%	0.09%
1/30/2013	-0.40%	0.35%
1/31/2013	-0.08%	-0.54%
2/1/2013	0.94%	0.04%
2/4/2013	-1.13%	-0.54%
2/5/2013	0.95%	1.34%
2/6/2013	0.13%	-0.61%
2/7/2013	-0.20%	-0.88%
2/8/2013	0.55%	0.49%
2/11/2013	-0.10%	-0.37%
2/12/2013	0.22%	-0.48%
2/13/2013	0.14%	-0.48%
2/14/2013	0.09%	-0.30%
2/15/2013	-0.19%	0.58%
2/19/2013	0.71%	0.31%
2/20/2013	-1.35%	-1.55%

**Exhibit-5****Market Index and Peer Index Returns**

10 September 2012 through 10 September 2013

<b>Date</b>	<b>Market Index Logarithmic Return</b>	<b>Peer Index Logarithmic Return</b>
2/21/2013	-0.71%	-0.88%
2/22/2013	0.88%	-0.16%
2/25/2013	-1.76%	-1.96%
2/26/2013	0.56%	0.68%
2/27/2013	1.25%	2.29%
2/28/2013	-0.05%	1.01%
3/1/2013	0.18%	0.41%
3/4/2013	0.38%	0.29%
3/5/2013	0.93%	0.73%
3/6/2013	0.16%	-0.18%
3/7/2013	0.24%	-0.68%
3/8/2013	0.50%	0.96%
3/11/2013	0.28%	-0.02%
3/12/2013	-0.19%	-0.36%
3/13/2013	0.09%	0.36%
3/14/2013	0.60%	0.39%
3/15/2013	-0.16%	-0.23%
3/18/2013	-0.54%	-0.23%
3/19/2013	-0.29%	-0.95%
3/20/2013	0.74%	0.69%
3/21/2013	-0.77%	-0.05%
3/22/2013	0.60%	1.77%
3/25/2013	-0.31%	0.88%
3/26/2013	0.74%	-0.83%
3/27/2013	-0.02%	0.20%
3/28/2013	0.42%	0.33%
4/1/2013	-0.54%	-0.22%
4/2/2013	0.28%	1.05%
4/3/2013	-1.21%	-0.27%
4/4/2013	0.38%	1.14%
4/5/2013	-0.37%	-0.21%
4/8/2013	0.68%	0.79%
4/9/2013	0.37%	0.24%
4/10/2013	1.19%	0.67%
4/11/2013	0.32%	3.13%
4/12/2013	-0.36%	0.22%
4/15/2013	-2.59%	-2.69%

**Exhibit-5****Market Index and Peer Index Returns**

10 September 2012 through 10 September 2013

<b>Date</b>	<b>Market Index Logarithmic Return</b>	<b>Peer Index Logarithmic Return</b>
4/16/2013	1.47%	1.07%
4/17/2013	-1.50%	-1.34%
4/18/2013	-0.60%	-0.90%
4/19/2013	0.94%	0.51%
4/22/2013	0.43%	-0.14%
4/23/2013	1.03%	0.28%
4/24/2013	0.21%	0.47%
4/25/2013	0.49%	2.09%
4/26/2013	-0.24%	0.24%
4/29/2013	0.74%	0.42%
4/30/2013	0.41%	0.48%
5/1/2013	-1.08%	-0.99%
5/2/2013	0.96%	0.63%
5/3/2013	1.05%	1.61%
5/6/2013	0.26%	-0.65%
5/7/2013	0.52%	2.08%
5/8/2013	0.50%	0.29%
5/9/2013	-0.36%	-0.13%
5/10/2013	0.49%	1.29%
5/13/2013	-0.05%	-1.13%
5/14/2013	0.96%	1.23%
5/15/2013	0.41%	0.38%
5/16/2013	-0.47%	-1.40%
5/17/2013	0.97%	0.85%
5/20/2013	0.05%	0.46%
5/21/2013	0.17%	0.89%
5/22/2013	-0.97%	-1.93%
5/23/2013	-0.24%	0.13%
5/24/2013	-0.09%	-0.58%
5/28/2013	0.65%	-0.16%
5/29/2013	-0.70%	-1.70%
5/30/2013	0.43%	0.55%
5/31/2013	-1.37%	0.78%
6/3/2013	0.46%	0.11%
6/4/2013	-0.56%	0.71%
6/5/2013	-1.36%	-1.00%
6/6/2013	0.91%	-0.06%

**Exhibit-5****Market Index and Peer Index Returns**

10 September 2012 through 10 September 2013

<b>Date</b>	<b>Market Index Logarithmic Return</b>	<b>Peer Index Logarithmic Return</b>
6/7/2013	1.17%	1.62%
6/10/2013	0.03%	-0.53%
6/11/2013	-1.10%	-1.13%
6/12/2013	-0.83%	-0.35%
6/13/2013	1.50%	2.20%
6/14/2013	-0.54%	-0.83%
6/17/2013	0.72%	-0.35%
6/18/2013	0.75%	1.52%
6/19/2013	-1.34%	-1.40%
6/20/2013	-2.60%	-1.75%
6/21/2013	0.13%	0.86%
6/24/2013	-1.24%	-2.14%
6/25/2013	1.03%	1.02%
6/26/2013	0.91%	0.56%
6/27/2013	0.81%	0.84%
6/28/2013	-0.30%	-0.14%
7/1/2013	0.67%	1.25%
7/2/2013	-0.13%	0.08%
7/3/2013	0.05%	-0.19%
7/5/2013	0.94%	1.21%
7/8/2013	0.52%	1.03%
7/9/2013	0.77%	0.18%
7/10/2013	0.07%	0.67%
7/11/2013	1.43%	1.22%
7/12/2013	0.27%	0.06%
7/15/2013	0.22%	-0.18%
7/16/2013	-0.39%	-0.34%
7/17/2013	0.30%	0.12%
7/18/2013	0.56%	0.50%
7/19/2013	0.15%	-0.06%
7/22/2013	0.27%	0.18%
7/23/2013	-0.13%	-0.33%
7/24/2013	-0.48%	-0.57%
7/25/2013	0.40%	0.88%
7/26/2013	0.02%	-0.07%
7/29/2013	-0.37%	0.82%
7/30/2013	0.05%	0.42%



**Exhibit-5****Market Index and Peer Index Returns**

10 September 2012 through 10 September 2013

<b>Date</b>	<b>Market Index Logarithmic Return</b>	<b>Peer Index Logarithmic Return</b>
7/31/2013	0.02%	0.07%
8/1/2013	1.24%	2.37%
8/2/2013	0.13%	0.64%
8/5/2013	-0.07%	-0.18%
8/6/2013	-0.66%	-1.31%
8/7/2013	-0.46%	-1.15%
8/8/2013	0.53%	1.21%
8/9/2013	-0.20%	-0.67%
8/12/2013	-0.03%	0.39%
8/13/2013	0.15%	0.55%
8/14/2013	-0.42%	-1.25%
8/15/2013	-1.33%	-2.03%
8/16/2013	-0.29%	-0.81%
8/19/2013	-0.71%	-0.01%
8/20/2013	0.57%	4.11%
8/21/2013	-0.61%	-0.66%
8/22/2013	0.91%	-1.16%
8/23/2013	0.43%	0.71%
8/26/2013	-0.28%	-1.07%
8/27/2013	-1.66%	-2.28%
8/28/2013	0.27%	-0.00%
8/29/2013	0.33%	0.36%
8/30/2013	-0.49%	-0.57%
9/3/2013	0.45%	0.67%
9/4/2013	0.77%	1.13%
9/5/2013	0.19%	-0.10%
9/6/2013	0.09%	-0.57%
9/9/2013	1.08%	0.92%
9/10/2013	0.73%	0.47%

**Source:** CRSP and Bloomberg.

**Exhibit-6****Urban Outfitters, Inc. Regression Results**

Estimation Period: 10 September 2012 through 9 September 2013

<b>Regression Statistics</b>	
R Squared	0.592
Adjusted R Squared	0.575
Standard Error	1.02%
Observations	250

	<b>Coefficients</b>	<b>Standard Error</b>	<b>t- statistic</b>
Intercept	-0.08%	0.07%	-1.24
Market Index	0.638	0.115	5.56
Peer Index	0.627	0.083	7.57
September 11, 2012	-1.09%	1.02%	-1.07
November 20, 2012	-0.52%	1.02%	-0.51
December 11, 2012	4.05%	1.02%	3.96
March 12, 2013	1.17%	1.02%	1.15
April 2, 2013	2.97%	1.02%	2.91
May 21, 2013	-3.37%	1.02%	-3.30
June 11, 2013	0.94%	1.02%	0.92
August 20, 2013	5.01%	1.06%	4.71

**Exhibit-7****Urban Outfitters, Inc. Event Study Results****Earnings and QTD Sales Announcement Dates**

<b>Date</b>	<b>URBN Closing Price</b>	<b>URBN Prior Day Closing Price</b>	<b>URBN Logarithmic Return</b>	<b>Market Index Logarithmic Return</b>	<b>Peer Index Logarithmic Return</b>	<b>URBN Explained Return</b>	<b>URBN Residual Return</b>	<b><i>t</i> -statistic</b>
2 April 2013	\$39.87	\$38.41	3.73%	0.29%	1.05%	0.76%	2.97%	2.92
21 May 2013	\$43.27	\$44.49	-2.78%	0.17%	0.89%	0.59%	-3.37%	-3.31
20 August 2013	\$43.19	\$39.92	7.87%	0.57%	4.11%	2.86%	5.01%	4.93
10 September 2013	\$38.35	\$42.71	-10.77%	0.73%	0.47%	0.68%	-11.45%	-11.26